OBAMA-BIDEN TRANSITION PROJECT

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

Breaking Free *with* Fair Elections:

A New Declaration of Independence for Congress

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Breaking Free with Fair Elections:

A New Declaration of Independence for Congress

Fair Elections – systems with full public financing of elections – would help improve the openness, honesty, and accountability of government. They would also free public officials to respond to the interests of voters without worrying about hurting their ability to raise money from deep-pocketed donors.

Most observers would agree that money plays far too large a role in elections – and that politicians spend too much time fundraising, detracting from the time they spend developing good public policy.

If we want to protect the environment, design a better health care system or improve our energy policy, we need a political system that encourages lawmakers to listen more to voters than to oil and gas companies, pharmaceutical giants and other industries.

Fair Elections are a bold solution to the problem of money in politics. Three states – Maine, Connecticut and Arizona – have instituted the systems for statewide and legislative elections. Publicly financed elections for some public offices, including judgeships, exist in four additional states, and the solution has been implemented in two major cities. Other states, such as Maryland, are actively considering similar proposals for their state elections.

The systems work. Public funding systems in the states today draw rave reviews from lawmakers while producing more diverse fields of candidates. They also provide voters with an immediate return on their small investment of faith and money: lawmakers who run under the systems spend significantly less time raising money than those who do not, giving them more time to do the work of the people.

This momentum is now spreading to Washington. Bills have been introduced in the House and Senate to provide full public financing for congressional elections.

The proposed congressional systems and those in effect in the states are variations on a theme. They require that candidates agree to accept little private money and to abide by spending limits. In exchange, candidates with demonstrated support qualify for enough public money to run viable campaigns.

The systems are sensible. They are entirely voluntary and impose no new restrictions on the campaign fundraising or spending of those who do not participate. And they transform elections into true contests of ideas and merit, rather than fundraising prowess.

The cost of a full congressional Fair Elections system would be tiny in the scope of the overall federal budget, which is nearing $3 trillion. And the program would accrue enormous savings by reducing wasteful expenditures, such as earmarks arranged by lobbyists.

Democratic, Republican and independent voters all support Fair Elections. Nearly 75 percent of respondents – including 80 percent of Democrats and 65 percent of Republicans – said in a mid-2006 poll that they supported a voluntary public funding system.[1]

Meanwhile, public approval of Congress plunged to historic depths.

Implementing a public funding system for Congress would make elections more open and empower voters. Americans are clamoring for a change – one that puts them in charge.

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It's Time for a Change

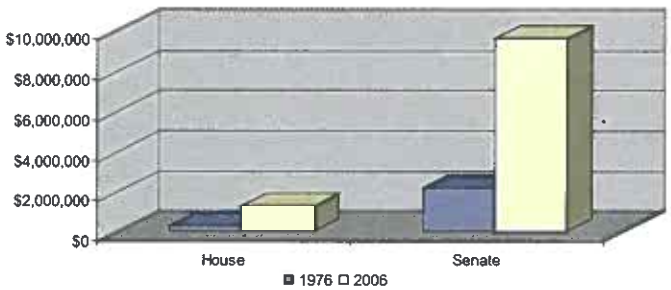
Voters Want Solutions

The cost of winning an election for Congress is getting more and more expensive. The winners of House elections in 1976 spent an average of about $87,000 on campaigns, or about $308,000 in 2006 dollars. In contrast, the average House winner in 2006 spent $1.3 million. In 1976, successful Senate candidates spent an average of $609,000, or about $2.2 million in 2006 dollars. In 2006, the average Senate winner spent an astonishing $9.6 million.[2]

Starting the day after they are elected, House members must begin raising more than $1,000 a day – including Saturdays and Sundays – to amass large enough war chests to wage their next campaign. On average, a U.S. Senator must raise more than $3,000 per day, every day. The burden is particularly heavy on members who only narrowly won their last election. Freshman House Democrat Tim Walz (Minn.) recalls that Rep. Rahm Emanuel (D-Ill.) told him in the middle of December 2006, "Start raising money now… And here's your goal: Have $1 million in the bank by the time this race gets ready next time."[3]

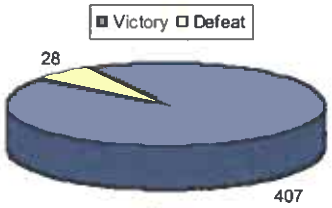
Fundraising success correlates strongly with electoral success. In 2002, 95 percent of House winners raised more than their opponents.[4] In 2004, more than 95 percent of House winners outspent their opponents.[5] And the size of campaign funds remained predictive in 2006. In that election, more than two-thirds of Senate winners – 24 of 33 – outspent their opponents. Meanwhile, nearly 94 percent of House winners – 407 of 435 – outspent their opponents.[6]

Campaign Expenditures by Winning Candidates (in 2006 dollars)



Source: Center for Responsive Politics

Outcomes for House Candidates Who Outspent their Opponents (2006)



Source: Center for Responsive Politics

Fundraising Burden Distracts Lawmakers from their Public Duties

The cost of running campaigns compromises a member's ability to truly represent voters. Former Sen. Ernest F. "Fritz" Hollings (D-S.C.) estimated that almost *one-third* of a senator's time is spent on fundraising.[7]

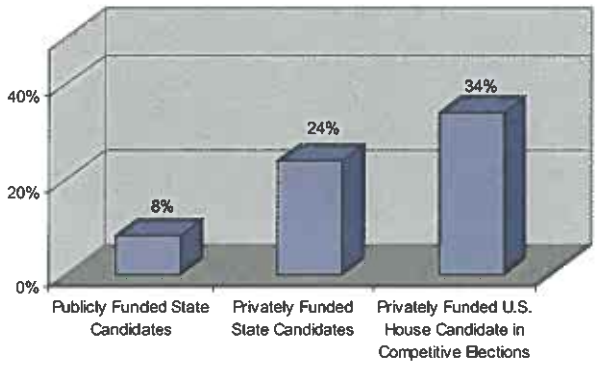
Hollings contrasted today's Senate with the institution of the 1960s, which typically worked full weeks:

"Now you can't find the Senate until Monday evening, and it's gone again by Thursday night. We're off raising money. We use every excuse for a 'break' to do so," Hollings wrote.[8]

"In February it used to be one day for Washington's birthday and one for Lincoln's. Now we've combined them so we can take a week off to raise money," he continued. "There's Easter week, Memorial Day week, Fourth of July week and the whole month of August. There's Columbus Day week, Thanksgiving week and the year-end holidays. While in town, we hold breakfast fundraisers, lunch fundraisers, and caucuses to raise funds."[10]

> "Nothing would please office holders – and office seekers – more than the prospect of spending more time debating issues and focusing full-time on the public's business."
>
> – Former Sen. Warren Rudman (R-N.H.)[9]

Percentage of Time Spent Fundraising



Source: Peter Francia and Paul Herrnson, September 2003

While the 110th Congress promised to maintain a five-day work week, the pressure on lawmakers to raise money remains great.

A study by researchers at the University of Maryland confirmed that candidates who participate in full publicly funded electoral systems spend significantly less time raising money than other candidates. U.S. House candidates in contested elections reported spending an average of 34 percent of their time raising money. Meanwhile, privately funded state legislative candidates reported spending an average of 24 percent of their time fundraising and publicly funded candidates reported spending only 8 percent.[11]

All that Money Displaces Voters

The Supreme Court has held that political contributions are a form of political speech, and, therefore, protected by the Constitution. Yet only a sliver of the population "speaks" by making campaign contributions to federal campaigns. Predictably, an overwhelming majority of contributions come from well-off donors.

In the 2004 elections, less than 0.6 percent of Americans of voting age made a contribution to a candidate of more than $200, the threshold for public disclosure of donors.[12] In the 2000 presidential campaign, nearly 86 percent of contributions over $200 came from people with household incomes of $100,000 or more, a category that included only 13.4 percent of Americans.[13]

Neighborhoods made up predominately of African Americans and Latinos are particularly underrepresented in terms of campaign dollars. For example, during the 2004 presidential campaign, neither President Bush, Sen. John Kerry nor most other Democratic presidential candidates received significantly more than 10 percent of their money from neighborhoods where people of color were the majority. The two candidates who received a greater share of contributions from neighborhoods made up primarily of people of color were African American: former Sen. Carol Moseley Braun (D-Ill.) and the Rev. Al Sharpton.[14]

Consider the comparison below of two zip codes.

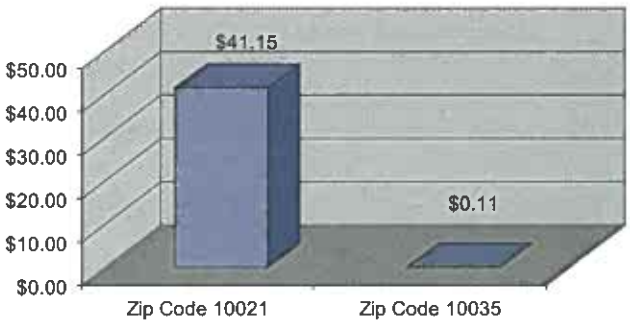
The top contributing zip code to all presidential campaigns in 2004 was 10021, which is on Manhattan's Upper East Side and was the source of $4.2 million. The zip code's residents were 86.4 percent non-Hispanic and white. Nearly 40 percent of households in the zip code had incomes of $100,000 or more.[15]

Zip code 10035, located just a few miles away in Harlem and consisting predominately of people of color, was the source of just $3,750 in contributions to the presidential candidates.[16]

Put another way, in zip code 10021, political contributions to 2004 presidential candidates amounted to $41.15 per resident. In zip code 10035, political contributions amounted to 11 cents per resident.[17]

A congressional Fair Elections system would free incumbent and prospective office holders to better connect with all of their constituents, not merely those most able to contribute to campaigns.

2004 Presidential Contributions Per Resident



Source: Public Campaign and U.S. Census. Based on 2000 population

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"Incumbents find it eternally necessary to raise big bucks for their next election nearly every single day. It's not only demeaning but it took a large chunk of time that could have been devoted to doing the public's business. The time is now to go to voluntary public funding."

– Former Senate Minority Whip Alan Simpson (R-Wyo.)[18]

The Right Time for New Solutions

By October 2006, disenchantment with Congress had sunk to historic lows. Only 16 percent of registered voters said they approved of the job Congress was doing and fully 75 percent expressed outright disapproval.[19]

In October 2006, 75 percent of likely voters said that the problem of political corruption was "extremely important" or "very important" to them, while only 8 percent said it was only "slightly important" or "not at all important."[20] In a national exit poll of voters, "Corruption/ Ethics" topped the list of issues cited as "extremely important."[21]

While the scandals surrounding disgraced lobbyist Jack Abramoff factored into most of the post-election analysis about corruption, many observers missed a much more broadly delivered message on money in politics. In dozens of races all over the country, challengers linked campaign contributions to positions taken by elected officials as a way to describe to voters how money influences policy debates.

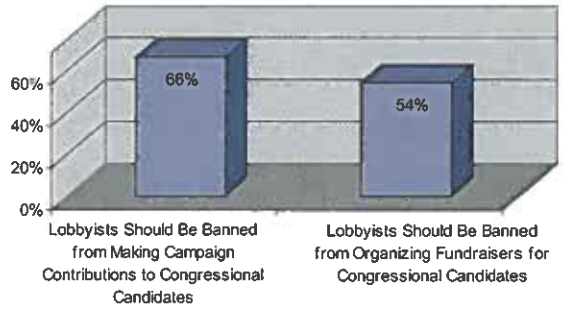
These television commercials and radio ads were not geographically limited; they appeared in competitive congressional contests in states as varied as Arizona, Indiana, and Connecticut.[22] While no comprehensive polling was done in the wake of the election on this particular theme, it stands to reason that the widespread occurrence of such media messages contributed significantly to the national repudiation of corruption in government that was revealed in exit polls.

Responses of Voters from 2006 Elections

Issue	Percentage of Voters Who Viewed Issue as "Extremely Important"
Corruption/Ethics	41
Economy	39
Terrorism	39
Iraq	36
Values Issue	36
Hussein Verdict	18

Source: Pew Research Center, Nov. 8, 2006

Americans' Views on Lobbyists' Fundraising



Source: ABC News, Jan. 9, 2006

Two-thirds of respondents to a January 2006 poll said lobbyists should be banned from contributing to congressional candidates, and 54 percent said lobbyists should be prohibited from organizing fundraisers on behalf of congressional candidates.[23]

This is not surprising. As former Sen. Alan Simpson (R-Wyo.) observed, "People think a legitimate campaign contribution is a veiled bribe."[24] Simpson is a proponent of publicly funded campaigns.

A congressional Fair Elections system would reduce the ability of lobbyists to accrue influence by acting as fundraisers because candidates would be free to reject private contributions altogether.

A Vast Majority of Americans Support Fair Elections

Nearly three-fourths (74 percent) of those surveyed in a June 2006 poll said they supported a proposal for voluntary public funding of federal elections, with 57 percent saying they "strongly supported" the proposal. In contrast, a mere 16 percent opposed the idea of public funding.[25]

Support cut across party lines. The proposal for public funding was supported by 80 percent of self-identified Democrats, 65 percent of

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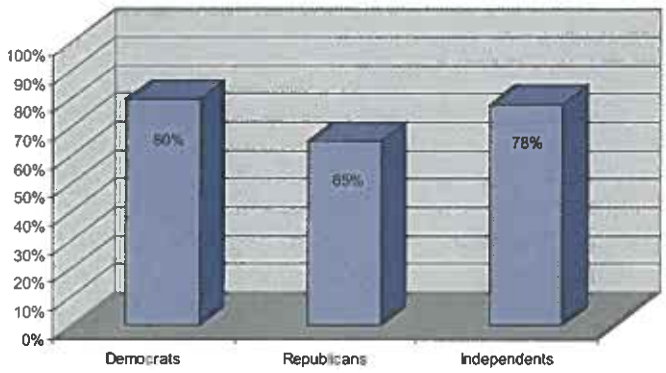
Public Support for a Voluntary Public Funding System



Source: Lake Research Partners and Bellwether Research, June 2006

Republicans and 78 percent of independent voters.[26]

The poll found that candidates would greatly improve their popularity by supporting public funding. Poll subjects were given a generic issue ballot, with standard Democratic and Republican issue profiles (but not party identities) attributed to each candidate. Absent consideration of public funding, the candidate with the Democratic profile won 53 percent to 37 percent.[27]

But when told that the candidate with the Republican profile signed a pledge to support public funding and that the candidate with the Democratic profile refused, respondents shifted to favoring the candidate with the Republican profile, 49 percent to 39 percent. When told that the candidate with the Democratic profile signed the pledge and that the candidate with the Republican profile refused, respondents' preference for the candidate with the Democratic profile increased to 58 percent to 29 percent.[28]

Many elected officials have gotten the message. More than 100 members of Congress have either signed a pledge to support public funding or co-sponsored Fair Elections legislation.[29]

"This is a proposal that's long overdue. I think that the system of financing elections in this country is outrageous."

– Former Sen. Bill Bradley (D-N.J.)[30]

A Long and Honorable History

President Theodore Roosevelt is credited with first suggesting public funding for elections.

"The need for collecting large campaign funds would vanish if Congress provided an appropriation for the proper and legitimate expenses of each of the great national parties," Roosevelt said in a 1907 address to Congress in which he also recommended banning political contributions from corporations to presidential campaigns.[31]

In the late 1940s, Sen. Henry Cabot Lodge Jr. (R-Mass.) introduced a resolution for the Senate Committee on Rules and Administration to study funding presidential campaigns with government funds.[32]

"All this breeding of suspicion and cynicism would disappear, I believe, overnight if the primary cause of the evil were obliterated at its root," Lodge said in a floor statement. "If there are no bidders, there can be no auction."[33]

In 1956, Sen. Richard Neuberger (D-Ore.) introduced a bill to provide for public funding for major party campaigns for all federal offices.

"We would not dream of permitting our presidents or our senators and representatives to draw their pay from a private payroll or in the form of private contributions; they get paid by the public for whom they act," Neuberger said. "Why, then, leave their campaigns for these offices to be lavishly financed from private sources?"[34]

A public financing system for presidential elections took effect in 1976. An opportunity to implement a congressional public funding system arose as recently as 1992.

Congress passed a bill which included different provisions for the two chambers. The bill provided House candidates with matching funds of up to $200,000 and required that they abide by spending limits. Senate candidates received vouchers for television and radio ads at guaranteed discounted rates. All participating candidates were provided with free mailings. If their opponents (or independent expenditures aiding their opponents) exceeded spending thresholds, they received subsidies and were allowed higher spending limits.[35]

The measure was vetoed by President George H.W. Bush. A subsequent Senate vote garnered 57 votes, short of the necessary two-thirds majority to override a presidential veto.[36]

In 1994, both chambers passed similar measures, but they died when a Senate filibuster stopped that chamber's measure from being sent to conference.[37]

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The Nuts and Bolts:

How Fair Elections Systems Work

Although the details of Fair Elections programs vary, they share many traits. All require participating candidates to demonstrate a seriousness of purpose before qualifying for public money.

Fair Elections programs require compliance with reasonable spending limits and a complete accounting of campaign expenditures. The programs are also voluntary; candidates remain entirely free to fund their campaigns with private contributions.

The systems' success hinges on providing candidates with sufficient resources to reach voters with their message. The systems need not, however, guarantee that participating candidates receive as much or more money than their privately financed opponent. As the 2006 Senate races in Montana, Virginia and Missouri demonstrated, sufficiently funded challengers can win, even when outspent by two-to-one.[38] Under private funding, most challengers lack the resources to wage viable campaigns. A congressional Fair Elections system would solve that problem.

The Six Pillars of Fair Elections Systems

1. **Candidates seeking public funding collect "seed money" to initiate their campaigns.** Fair Elections systems permit candidates to start campaigns by collecting a set amount of seed money. Fair Elections systems limit these contributions to about $100 per donor (versus the $2,300 per election limit that currently applies to federal candidates). There is a ceiling on the total amount of seed money candidates may collect. Seed money pays for campaign costs, such as opening an office, hosting community meetings, and raising qualifying contributions.
2. **Candidates collect qualifying contributions to show that they have support.** Fair Elections systems require candidates to prove they are serious and viable before becoming eligible for public funds. Candidates pass this test by collecting a significant number of small contributions, generally on the order of $5 each. The number of qualifying contributions required varies from system-to-system and office-to-office. The Senate bill requires candidates to collect a baseline of 2,000 qualifying contributions, plus another 500 for each congressional district, in excess of one, in their state.
3. **Candidates who qualify must abide by spending limits.** Once qualified, publicly funded candidates may no longer accept contributions or spend personal money on their campaigns. Candidates' spending is limited to the allocation they receive.
4. **It's voluntary.** Candidates who do not want to participate do not have to. Fair Elections systems do not impose new rules or demands on privately funded candidates, other than sometimes requiring more frequent filings of campaign finance reports. Timely reports allow publicly funded candidates to receive additional "fair fight" public funds promptly if opposition spending exceeds certain amounts.
5. **Participating candidates must comply with simple spending rules.** Participating candidates must comply with guidelines concerning how the public's money is spent and account for all expenditures.
6. **Participating candidates receive adequate funds.** Neither public nor private funding systems ensure that candidates have as much money to spend as their opponents. But Fair Elections programs are designed to provide enough money for participating candidates to be competitive. The bill under consideration in the Senate would furnish major party Senate candidates with $750,000, plus another $150,000, for each congressional district (beyond one) in a candidate's state for general elections. The bill allocates smaller amounts for primary campaigns.

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Fair Elections programs provide additional "fair fight" funds when opposition spending exceeds established thresholds. The proposal in the Senate allows publicly funded candidates to receive up to three times their standard allotment if facing a highly funded opponent. The proposal also calls for fair fight funds to be provided to counter opposition spending by independent groups.

More Nitty-Gritty on Fair Elections

The Senate bill includes additional provisions to maximize fairness and accountability:

1. **Funding levels would be indexed to keep the system viable.** To account for inflation and the rising costs of campaigns, the Senate bill indexes allotments to candidates over time. The bill thus avoids a pitfall of the federal presidential public funding system, which does not index allotments to keep pace with cost increases.
2. **Candidates receive vouchers for television air time.** Because buying television advertising typically consumes the lion's share of campaign spending, the Senate bill calls for participating candidates to receive vouchers for air time. The bill calls for the Federal Communications Commissions (FCC) to manage the distribution of vouchers and requires all broadcasters to honor them. Notably, broadcast entities receive billions of dollars in value from the public airwaves for free.
3. **Candidates who participate in the Fair Elections system must participate in election-related debates.** The Senate bill requires publicly funded candidates to participate in at least one debate during the primary campaign, and in two debates between the primary and the general election.

Proposed Congressional Plans Differ from Presidential System

Since 1976, a public funding system has offered presidential candidates matching funds for primary campaigns and – for party nominees – a set amount of money for the general election. While the presidential public funding system has enjoyed significant success, increasing numbers of candidates have opted out in recent election cycles because the available funding has not kept pace with the cost of campaigns. The proposed congressional public funding systems include features that distinguish them from the current state of the presidential system. Under the congressional bills:

- Participating candidates would receive enough money to run a viable campaign.
- Participating candidates would not engage in any fundraising once they qualify.
- Participating candidates would receive "fair fight" funds if opposition spending exceeds established amounts.

Sens. Russ Feingold (D-Wis.) and Barack Obama (D-Ill.) and Reps. Christopher Shays (R-Conn.) and Martin Meehan (D-Mass.) have introduced bills this session to improve the presidential system and make it work for the nation once more.

The bills would:

- Increase the public funds match of individual contributions to make it easier for participating candidates to raise enough money to compete.
- Increase both the primary season spending limit and the general election grants that party nominees receive.
- Prohibit candidates who opt out of the public funding system in the primary season from participating in the system for the general election.
- Increase spending limits and provide extra matching funds when the spending of privately funded candidates exceeds established thresholds.
- Provide funding for public education on the voluntary check-box program, in which taxpayers decide whether to direct a certain amount of money at no personal expense to the presidential public financing system.
- Increase the amount of the voluntary check-off from $3 to $10 for an individual and from $6 to $20 for a married couple.

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The Cost:

Fair Elections Are a Bargain for Taxpayers

The estimated cost of a Fair Elections system for congressional elections would be about $1.75 billion per two-year election cycle.[39] In the 2006 elections, by comparison, House and Senate candidates spent $1.4 billion.[40]

The relative cost of this program is minuscule in the context of the federal budget, which is nearly $3 trillion annually. In fact, fully funding a Fair Elections system for congressional elections would cost less than one twenty-fifth of one percent (0.04 percent) of President Bush's proposed 2008 budget.

Many controversial federal costs dwarf the expense required to finance a Fair Elections system for Congress. It is worth considering some of them because they put the cost of a public funding system in context:

- **$208.5 billion over ten years:** The cost of investor tax breaks that Congress is considering renewing.[41]
- **$87 billion:** The cost of federal government programs in 2001 that provided subsidies to private businesses, according to the Cato Institute.[42]
- **$70 billion to $100 billion:** The estimated amount of taxes that American corporations and individuals dodge each year by using offshore tax schemes.[43]
- **$64 billion:** The amount spent in 2006 on "earmarks" – pet projects such as the infamous "Bridge to Nowhere" in Alaska and a Teapot Museum in North Carolina.[44] Earmarks cost each American of voting age $282 a year, or more than 70 times the cost of publicly funding congressional elections.[45]

Fair Elections Costs in the States Are Modest

The two longest-running Fair Elections systems, in Arizona and Maine, impose only negligible costs on taxpayers.

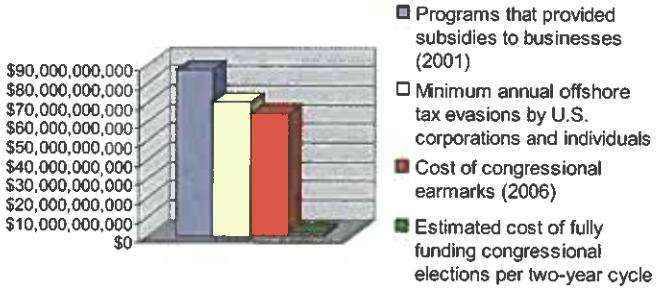
The majority of the revenue for Arizona's system comes from civil and criminal fines and penalties. The remainder comes from tax check-offs, contributions and unused qualifying contributions and seed money.[46] The cost of running Arizona's system for the 2004 election cycle equaled only $2.28 per voting age citizen per year.[47]

Maine's system is primarily funded by a $2 million set-aside from general revenues, with additional funds coming from tax check-offs, qualifying contributions, interest and penalties.[48] The cost for the 2004 elections in Maine equaled $2.58 per voting age citizen per year.[49]

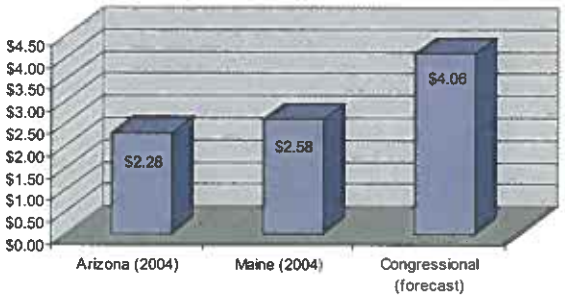
Connecticut's nascent system is being funded by revenue from the sale of abandoned property, with any shortfall to be covered by corporate tax revenues.[50]

By comparison, the cost of a congressional Fair Elections system would equal about $4 per voting age citizen per year.[51]

Selected Federal Costs Compared to a Congressional Fair Elections System



Annual Cost of Publicly Funded Election Systems Per Voting Age Citizen



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The Track Record:

Fair Elections Systems Have Succeeded in the States

Seven states have full public funding systems for at least some of their elected offices: Arizona, Connecticut, Maine, New Jersey, New Mexico, North Carolina and Vermont. In three of these states – Arizona, Connecticut and Maine – systems include legislative and gubernatorial contests; Vermont's system includes races for governor and lieutenant governor; North Carolina's system covers judicial elections; and New Mexico's system provides funding for Public Regulation Commission candidates. New Jersey has a pilot public funding program for a limited number of legislative races.[52]

Additionally, two cities provide full public funding options for citywide contests: Albuquerque, N.M., and Portland, Ore. Ballot initiatives that won approval from 51 percent of voters in Arizona and 56 percent in Maine ratified the new systems in those states.[53] Albuquerque's citizens also used a ballot proposition to pass their public funding legislation. In 2005, Connecticut became the first state to establish Fair Elections for all statewide and legislative positions through legislation.

> "I got to spend time with voters as opposed to dialing for dollars, or trying to sell tickets to $250-a-plate fundraisers. This was much better."
>
> – Gov. Janet Napolitano (D-Ariz.)[54]

Fair Elections Systems Increase the Breadth of Campaign Contributors

Fair Elections systems open up democracy by encouraging people from a broader range of economic backgrounds to become politically active through campaign contributions.

By dramatically reducing the maximum allowable contribution – to about $100 for seed money and $5 for qualifying contributions – the systems enable almost everyone to make meaningful campaign contributions.

A study of contributions to gubernatorial candidates in Arizona found that privately funded candidates in the 1998 and 2002 election cycles received more than 70 percent of their campaign contributions from people living in areas with per capita incomes of $40,000 or more.[55]

In contrast, candidates who opted into the state's public funding system received up to 68 percent of their qualifying and seed contributions from people living in zip codes with per capita incomes below $40,000.[56]

States and Localities with Clean Elections Systems

State/Locality	Electoral Contest(s) for which Public Funding is Available	Method of Approval	Year Approved	Year of Implementation
Arizona	Statewide and legislative races	Ballot initiative	1998	2000
Connecticut	Statewide and legislative races	Legislation	2005	2008
Maine	Statewide and legislative races	Ballot initiative	1996	2000
New Jersey	Legislative (pilot project)	Legislation	2004	2005
New Mexico	Public Regulation Commission	Legislation	2003	2005
North Carolina	Judicial elections	Legislation	2002	2004
Vermont	Governor and Lt. Governor	Legislation	1998	2000
Albuquerque, N.M.	Citywide races	Ballot initiative	2005	2007
Portland, Ore.	Citywide races	Legislation	2005	2006

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The average individual contribution to each publicly funded candidate in the study ranged from $6 to $13.[57]

The profile of contributors to publicly funded candidates in Arizona contrasts starkly with contributions to federal candidates, who receive the overwhelming percentage of their campaign contributions from people with household incomes of $100,000 or more.[58]

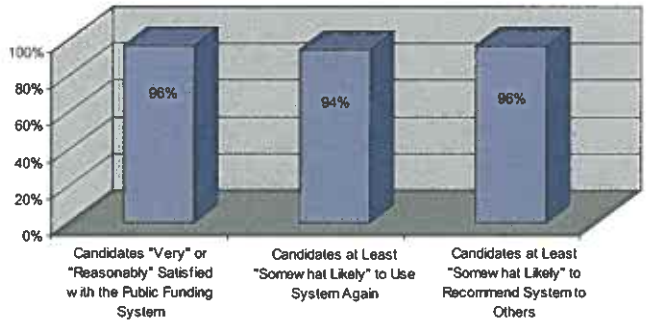
Candidates Give Fair Elections Systems Glowing Reviews

In a survey of candidates who participated in Maine's system in the 2002 elections, 96 percent of the respondents said that they were either "very" or "reasonably" satisfied with the system, 94 percent said they were at least "somewhat likely" to use it again, and 96 percent said they were at least "somewhat likely" to recommend the program to others.[59]

Many elected officials who ran their campaigns under the state's public funding program particularly said they enjoyed spending more time with the voters and less time fundraising.

When Maine's 2002 candidates were asked why they decided to participate in the program, 55 percent answered: "No fundraising; time better spent on issues and voters." Another 20 percent cited "strategic or pragmatic reasons," and 18 percent cited "fear of corruption by special interests."[60]

Survey of Candidates Who Participated in Maine's Public Funding System (2002)



Source: Maine Citizen Leadership Fund, April 3, 2003

Candidates' Participation Levels Are Impressive

In 2006, roughly 80 percent of Maine's candidates participated in the state's public funding system. In 63 percent of Maine's legislative contests, at least two of the candidates participated. In only three of Maine's 186 legislative races in 2006 did no candidate opt in.[61]

In Arizona, 61 percent of candidates in the primaries and 58 percent of general election candidates participated in their state's system of publicly financed elections in 2006.[62]

In Maine and Arizona, 55 and 56 percent of candidates, respectively, cited the availability of a publicly financed elections program as a "very great" or "great" factor in their decision to run for office in 2000, according to a 2003 report by the federal General Accounting Office.[63]

In 2002, 69 percent of candidates in Maine who used public funding said that the program was at least a "somewhat" important factor in their decision to run. Fifty-one percent said it was a "very" important factor.[64]

Participation in Maine's Fair Elections System (2006)

		All Candidates	Publicly Funded Candidates	Percentage Publicly Funded
HOUSE	Primary Election Candidates	333	239	71.8
	Primary Election Winners	277	224	80.9
	General Election Candidates	310	242	78.1
	General Election Winners	151	127	84.1
SENATE	Primary Election Candidates	77	62	80.5
	Primary Election Winners	65	58	89.2
	General Election Candidates	77	66	85.7
	General Election Winners	35	29	82.9

Source: Maine Ethics Commission

Fair Elections Candidates Have Enjoyed Success

In the 2006 elections, 42 percent of winning legislative candidates and 75 percent (six out of eight) of winning statewide candidates in Arizona used public funding. Gov. Janet Napolitano (D) participated in the program when she won election in 2002 and re-election in 2006.[65]

More than 60 percent of primary election winners among Arizona House candidates in 2006 and more than 50 percent of Senate primary winners participated in the system.[66]

In Maine's 2006 elections, publicly funded candidates won 127 of 151 House seats (84 percent) and 29 of 35 Senate seats (83 percent). Overall, 83 percent of Maine's legislators participated in the program in 2006.[67]

Fair Elections Increase the Diversity of Candidates

The United States is a diverse nation, and yet the people we elect to represent us at both national and local levels of government do not reflect that diversity. African Americans, Asians, Latinos and other racial and ethnic minorities are 31 percent of the U.S. population, but only accounted for 13 percent of state legislators elected in 2003 and 2004.[68] Similar disparities exist in the U.S. House and Senate.

The money available to candidates is part of the problem. About 85 percent of victorious state legislative candidates in 2002 and 2004 raised more money than their opponents, as have more than 90 percent of winning federal legislative candidates in recent election cycles.[69]

Minorities consistently raise significantly less money than white candidates, and traditional funding sources – ranging from energy and natural resources interests to political parties – tend to favor white candidates.[70]

Fair Elections systems remove many of the barriers to candidacy. Evidence suggests that they increase the number of people of color who run for office. Both minorities and women are availing themselves of public funds at a higher rate than other candidates.

Since the implementation of the full public funding system in Arizona, the percentage of minority candidates has more than doubled. That figure rose from 6 percent in 2000 to 14 percent in 2006, with a high of 16 percent in 2004.[71]

In addition, while overall participation in Arizona's system was only 26 percent in 2000, the first year of that state's program, and did not rise to 50 percent until 2004, participation by minority candidates has been higher than 50 percent in each election since the system began.[72]

The participation rate among women in Arizona has been higher than for men. In the 2006 primary election, for example, 69 percent of female candidates used public funding, compared to 52 percent of male candidates.[73]

> Public funding "has allowed minorities to run for the state legislature as well as statewide offices where in the past, minorities had not [run] for these offices."[74]
>
> – State Rep. Steve Gallardo (D-Ariz.)

Participation in Arizona's Fair Elections System (2006)

		All Candidates	Publicly Funded Candidates	Percentage Publicly Funded
HOUSE	Primary Election Candidates	135	80	59.2
	Primary Election Winners	92	57	61.2
	General Election Candidates	92	56	60.9
	General Election Winners	60	29	48.3
SENATE	Primary Election Candidates	62	33	53.2
	Primary Election Winners	50	28	56.0
	General Election Candidates	51	28	54.9
	General Election Winners	30	9	30.0

Source: Arizona Secretary of State

Dispelling Common Myths about Fair Elections

Myth: Fair Elections systems trespass upon the First Amendment.

Reality: Because the proposed public funding bills are voluntary, they are constitutional. In the landmark 1976 case *Buckley v. Valeo*, the Supreme Court ruled that a voluntary public funding system for presidential campaigns did not violate the First Amendment.

According to the Court, the presidential funding system "is a congressional effort, not to abridge, restrict, or censor speech, but rather to use public money to facilitate and enlarge public discussion and participation in the electoral process, goals vital to a self-governing people."[75] State public funding systems, including those in Maine and Arizona, have been upheld by trial and appellate courts using the same reasoning.

In a First Circuit U.S. Court of Appeals case examining the constitutionality of a public funding system, the federal court observed that provisions for "fair fight funds" that match opponent and independent expenditures supply the means for more speech, not less, and are therefore supported by the First Amendment.

The court noted that the opponents of the measure, "have no right to speak free from response – the purpose of the First Amendment is to secure the widest possible dissemination from diverse and antagonistic sources. The public funding system in no way limits the quantity of speech one can engage in or the amount of money one can spend engaging in political speech, nor does it threaten censure or penalty for such expenditures. These facts allow us comfortably to conclude that the provision of matching funds based on independent expenditures does not create a burden on speakers' First Amendment rights."[78]

> "I'm a farmer and I think it's important that farmers have their voice in the legislature, but farmers don't have access to buckets of money and our friends don't have buckets of money. It's allowed people, I think, from more common livelihoods to be able to pursue running for office."
>
> – State Rep. Nancy Smith (D-Maine)[76]

> "We get to have a dialogue with the voters, to get out there and try to convince them to vote for us, hopefully based on the ideals and values that we have, that we share."
>
> – State Rep. Deborah Simpson (D-Maine)[77]

Myth: Publicly financed elections amount to "welfare for politicians."

Reality: The argument is based on an illusion that Fair Elections systems offer political candidates a chance to receive easy money, and is tinted by the implicit assertion that candidates may use public money for personal expenditures. This concern is unfounded.

Fair Elections systems – such as those enacted in Arizona, Connecticut and Maine, and proposed in Congress – employ safeguards that require candidates to demonstrate their seriousness and viability before they receive a penny of public money. The systems also have sensible rules to prohibit spending public money for anything but legitimate campaign expenses and require candidates to account publicly for all expenditures. A congressional Fair Elections system would be an investment in a more responsive and independent Congress.

Myth: Public funding of elections would give "fringe" candidates easy access to taxpayer money.

Reality: Fair Elections systems require publicly funded candidates to collect enough qualifying contributions to demonstrate they are serious and have a broad base of support. Elections in Arizona and Maine show that Fair Elections systems result in fewer uncompetitive candidates. Although the number of candidates has increased in those states, the vast majority of

those candidates demonstrated a strong base of public support at the polls. In Maine's 2006 primary election, for example, no candidate received less than 20 percent of the vote, and only 15 of the 409 candidates in two-candidate races received less than 40 percent of the vote.[79]

Myth: Fair Elections systems force taxpayers to support candidates they do not like.

Reality: When taxpayers contribute to public funding systems, they are paying to support democracy, not an individual candidate. Fair Elections systems lower the barriers to running for office, increasing the likelihood that voters will have better candidates to consider. Moreover, the systems reduce candidates' dependence on deep-pocketed contributors, lessening the chance that winning candidates will feel indebted to donors when they take office.

Myth: Public funding systems would require a tax hike.

Reality: The cost of a public funding system would be trifling compared to America's nearly $3 trillion annual budget. Such an expense would amount to about one twenty-fifth of one percent (0.04 percent) of the federal budget, a share too small to depict on a pie chart.

Myth: Public funding will not dampen the increase in campaign costs.

Reality: A congressional Fair Elections system would impose limits on what participating candidates can spend. Therefore, if a large percentage of candidates participate, it would likely slow the increase in campaign spending.

It warrants noting that the objective of Fair Elections systems is not to remove money from politics, but rather to replace private money that can be viewed as corrupting with public money that supports a healthy democracy.

> "You have an opportunity to spend more time with voters, listening to their concerns, discussing issues and not have to constantly be raising money up and through the time and after the election."
>
> – Corporate Commissioner William Mundell (R-Ariz.)[80]

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