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## Changing the Way America Pays for Congressional Elections

### **Where We Stand:**

Support for real reform like comprehensive public financing of elections has grown quickly over the past two years. The Obama presidential victory, changes in Congress, and the continued crisis of confidence in the economy and in Congress's ability to do its job sets the stage for changing how we pay for our federal elections. Building on Obama's success in generating small contributions and the increase of donor activity on the Internet, *a model that empowers small donors in every race* from the President to the US Senate and House would mean a permanent change in how Washington does business.

Assistant Senate Majority Leader Dick Durbin (D-IL) authored the most recent public financing bill, the Fair Elections Now Act, also cosponsored by Sen. Arlen Specter (R-PA), and is poised to be part of a bipartisan, bicameral effort in 2009. He is joined by Democratic Caucus Chair Rep. John Larson (D-CT) and Rep. Walter Jones (R-NC), who introduced a companion bill in the House.

The country is anxious to tackle major problems like the economy, health care, the Iraq war, and energy. Despite the results on Election Day, **77%** of the electorate are concerned that Congress will be unable to undertake "the important issues facing America today like the economic crisis, rising energy costs, reforming health care, and global warming" because of large campaign contributions (Lake Research Partners Poll, November 3-4). In addition, **70%** believe that "large campaign contributions from the banking industry to members of Congress have resulted in lax oversight and have been a major factor in causing the current financial crisis on Wall Street." This poll and the magnitude of Obama's victory make clear the American public's desire for substantial change, but it also lays bare their fear that the continued influence of big money in Washington will prevent the results they sought from the voting booth. **Empowering voters and small donors – an example set in several states that already use public financing for state campaigns – is both critical and politically viable at this historic moment.**

### **Policy snapshot: Small Donors Make Fair Elections**

The proposed public financing system will allow candidates to run for office on small donor contributions and limited public funds rather than wealthy bundlers and corporate interests, eliminating the undue influence and perceived corruption that comes with high-dollar fundraising. The Obama campaign demonstrated the power of online organizing to raise millions from small donors, although the campaign still raised nearly one half of its money from contributions of \$1,000 or more. Congressional campaigns raise at least triple the amount from big donors as opposed to small donors and are trending towards more large-donor fundraising.

The new public financing models for Congress and for the Presidential system would heavily reward small dollar fundraising by amplifying each small gift with a four-to-one match from public funds. Candidates first qualify for the program by raising a threshold number of small contributions. Those who demonstrate that necessary level of support, and who agree to accept only small contributions from individuals, receive an initial grant. The public funds allow them to raise and spend enough money to run a viable campaign – and they can continue raising small donations matched by public funds up to a limit, after which point they can continue raising unmatched small donations.

### **Words From Our Sponsors:**

"People who say the public shouldn't have to pay for elections are missing the point: The American people already pay for elections - in ways that favor incumbents and special interests and in a Congressional agenda spawned too many times by those who finance our campaigns. But the truth is, we can pass all the lobbying and ethics reforms in the world and it won't solve the real problem. Special interest money will always find new loopholes to work its way into campaigns until we change the system fundamentally." —Senator Richard Durbin (D-IL)

"The public is understandably very distrustful of what happens in public life when there are contributions by interested parties in the political process in terms of whether that influences our official decisions. I think that it does not, but there is great public skepticism on that question and I think public financing will go a long way to restoring public confidence in the electoral system." —Senator Arlen Specter (R-PA)

"It is time to restore integrity to our elections. The public must be reassured that money and influence-peddling do not shape what happens in Washington. They must have confidence that their public officials are looking out for the best interest of their constituents not the best interest of their biggest donors." —Congressman John Larson (D-CT)

"Let's begin the debate. This is not going to mandate anybody to participate, but let's have the option—for those people who either don't know the PACs, don't know the lobbyists, or maybe they just made a decision to try it in a different way—whatever and however, we need to have that option in this country." —Congressman Walter Jones (R-NC)



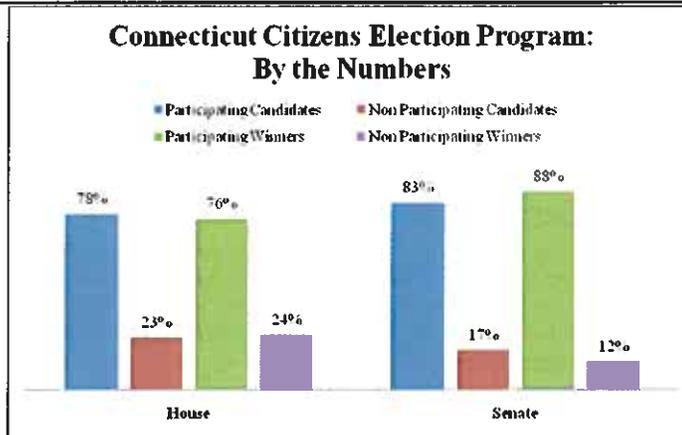
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**State Spotlight: Connecticut**

Connecticut became the latest state to enact full public financing for all of its statewide offices, passing a law three years ago that went into effect in 2008. Its success was remarkable: more than three quarters of all candidates for Connecticut General Assembly raised enough small contributions to qualify and run under the public funding system this year. As a result, 76 percent of House candidates and almost nine out of ten state Senate candidates – 88 percent – who won election ran on public funds and small donations. When the next Connecticut General Assembly convenes, 81% of the legislators will have been elected without taking a single large donation from a wealthy contributor or special interest. This is a giant step in making sure that Connecticut’s General Assembly is not beholden to special interest money and can look out for the people’s interests.

Incumbents, challengers, and even third party candidates were able to earn public funds to run a viable campaign. In races for open seats where there was no incumbent advantage, and a Clean Elections candidate competed against traditional candidates, the Clean Elections candidate won all four times.

As a *New York Times* editorial said just after the primaries, “The rest of the country will be watching to see how well the system works. Though not perfect, it’s a great improvement over the status quo. Public financing has invigorated democracy in New York City and states like Arizona and Maine.... Connecticut, which became known as ‘Corrupticut’ after the recent scandals, can only benefit from this new system.” Indeed, the election results suggest it already has.



**Raising the States: A New Landscape**

The success stories are not only coming out of Connecticut this year; several states across the country will add dozens, if not hundreds, of Clean Elections candidates to their elected rosters. Close to 400 state legislators, elected judges, and statewide officials in **Arizona, Connecticut, Maine, New Mexico, North Carolina and Oregon** will work in their state capitols, city halls, and judicial chambers without the influence of special interest money.

More women and minority candidates run in Clean Elections systems. In Arizona, the percentage of minority candidates running for state office has more than doubled since the creation of the Clean Elections system, and minority candidates use the system at a higher rate than others. In Maine, the number of women running for state legislature has increased 18% since the creation of the Clean Elections program, and in both Maine and Arizona women running for office used public funds at a higher rate than their male counterparts.

Furthermore, candidates enjoy using the system. Maine regularly surveys state candidates and found in 2006 that *98% of those who ran under Clean Elections were “very” or “reasonably” satisfied with the system.*

Here are some highlights from 2008, even as we continue to analyze data from this cycle:

- In Maine, Clean Elections candidates will hold 85% of seats in the statehouse.
- In Arizona, 54% of the legislature ran using the Clean Elections system, up from 42% last session.
- In North Carolina, 68% of the state’s top judicial seats will be held by Clean Elections candidates, including five of the seven Supreme Court Justices. In addition to judicial races, the state has public financing for 3 Council of State seats, and two of the three winners used public funds.
- In March 2008, the city of Santa Fe passed a ballot initiative for public financing of campaigns for candidates for city council and mayor.
- The California Governor signed a bill that will refer a ballot measure to the Spring 2010 ballot that would establish a full public financing program for Secretary of State races in California.

[www.commoncause.org](http://www.commoncause.org)**Voices in Support:**

“Why did I run as a Clean Elections candidate? Well, the truth is, I wasn't a political insider and I really had no interest in having to go out and spend my time fundraising. I wanted to be able to talk about the issues door-to-door with my constituents and Clean Elections gave me the opportunity to do that.” – State Rep. Chris Rector (R-ME)

“The Sierra Club has consistently supported reform of the campaign finance system in order to reduce the influence of polluting corporations on elected officials. Americans understand the connection between clean air, clean water and clean elections, and they don't want to see environmental safeguards sold to the highest bidder.”— Carl Pope, Executive Director, Sierra Club

“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.” — Governor Janet Napolitano (D-AZ), a two-time Clean Elections gubernatorial candidate

“The time has come for our Congress to seriously consider public financing of federal elections. When the cost of financing a campaign is not an intimidating obstacle, more of our most able leaders will run for office. Once elected they will spend their time and energy attending to the nation's business instead of wasting their time on nonstop fundraising.” — Former U.S. Senator Warren Rudman (R-NH), Honorary Co-Chairman of Americans for Campaign Reform

“All Americans want a government that is responsive to our daily lives, but the drive for campaign cash impairs our elected officials' ability to hear and respond to all constituents. The ever-increasing amount of money needed to run for office consumes legislators' time – which could be better spent working to ensure liberty and justice for all – and contributes to the upside-down priorities that allow millionaire donors to claim more congressional attention than middle-class Americans.” — Jeff Blum, Executive Director, US Action

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**Lee Iacocca**  
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**Pete Peterson**  
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