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IMMEDIATE RELEASE

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**PUBLIC CAMPAIGN CONTACT:
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TO: Interested Journalists and Editorial Board Writers
FR: Nick Nyhart, President and CEO, Public Campaign
RE: 2008 Presidential Candidates Won't Buy 1974 Era Public Financing – New Model Needed

Sen. Hillary Clinton's (D-NY) decision to opt out of the public financing system for both her primary and, potentially, her general election race and the near certainty that other candidates will soon follow is hardly a surprise. The aging presidential public financing system, passed in 1974, was never updated or modernized to deal with the shifting nature of campaigning, the explosion in media costs, and the leapfrogging calendars of states trying to get in on the presidential nominating process. Given the realities of the current politics, no candidate accepting the spending limits proscribed by the public financing system could likely be elected president in 2008. In fact, the best hope for voters concerned with big money influence in presidential politics is that the leading presidential candidates make a firm public commitment to dramatically retool and upgrade the presidential funding system for 2012 if elected next year – even as they walk away from the present law.

There are several reasons for the inadequacy of the Watergate-era presidential public financing system. First, it provides too little money. Former U.S. Federal Elections Commission (FEC) Commissioner Michael Toner has estimated that the price tag for the winning campaign this cycle will be \$500 million or more. A few elections ago, that fundraising number would have been unimaginable. But under the increased private donation limits that Congress packaged as part of the 2002 Bipartisan Campaign Reform Act (BCRA) and the success of President George W. Bush and Sen. John Kerry (D-MA) in each raising over \$200 million for 2004's primary election, that number appears inevitable. Under the current law, candidates adhering to the limits that come with public financing could spend at most \$150 million, putting them at a nearly insurmountable disadvantage.

Second, the present public financing program sets caps on what can be spent in each individual state's presidential primary contest, reducing the strategic flexibility of the publicly funded campaign for the early primaries while the privately funded candidate faces no such restrictions.

Finally, the current system gives taxpayers too little return on their investment. Despite the public subsidy, candidates using the system must still intensively court the powerful money brokers who then bundle scores of the elite donors who write the maximum checks allowed. (Remember, among his many attributes, convicted lobbyist Jack Abramoff was a Bush "pioneer," meaning that he promised to raise at least \$100,000 for the President's campaign in 2004.)

As attention now turns to fixing the system for future presidential campaigns we should learn from the practical, proven models for doing things differently—and successfully. The current presidential system provides a one-to-one match for donations of up to \$250. In New York City, a public matching system enhances the power of small donors and decreases reliance on wealthy givers by matching contributions of \$250 and smaller four times over. A \$20 donation is worth \$100 to the candidate, rewarding the pursuit of voters from somewhere other than the toniest neighborhoods.

The Clean Elections systems in Arizona, Maine and seven other venues, expand the power of small donors even further. Under those programs, candidates who give up all large private donations receive full public funding for their campaigns once they reach a threshold amount in small contributions. And when Clean Elections candidates are outspent by their privately financed opponents or attacked by independent expenditures, they receive additional public funds to maintain a level playing field. Candidate participation in these systems is growing—a stark contrast to the abandonment of public financing at the federal level.

But it will take strong political leadership, especially from the presidential candidates, if we are to see a new system in place for the next election in 2012. This isn't far-fetched. In the 2004 elections, seven of the ten announced presidential candidates—including Sen. Kerry, Former Gov. Howard Dean (D-NH), Rep. Dennis Kucinich (D-OH), and then Sen. John Edwards (D-NC) (in principle)—endorsed a pledge early on to make “reform of the presidential public financing system a priority” and to embrace public financing as the “most effective means for preserving the integrity of our electoral process, reducing undue special interest influence, and creating a fair playing field for qualified candidates.”

This year, many of the presidential contenders are speaking out about the problem of money and politics. In his recent video blog announcement that he was entering the fray, Sen. Barack Obama (D-IL) said:

“Politics has become so bitter and partisan, so gummed up by money and influence, that we can't tackle the big problems that demand solutions. And that's what we have to change first.”

Obama supported Clean Elections as an Illinois state senator. Sen. Clinton was a cosponsor of the Kerry-Wellstone Clean Elections bill a few years back. Edwards has long been a champion of public financing of elections. As he wrote recently:

The starting point is comprehensive campaign finance reform, not tinkering at the edges—comprehensive campaign finance reform. I have said before that I support public financing of campaigns. As long as politicians are trapped in a desperate money chase, as long as they must spend huge amounts of time and resources to raise the money to run for re-election, we will continue to see wealthy interests trying to buy their way into favor. We need to change the way business is done there, and we need to do it immediately if we want to get our government back.

Sen. Christopher Dodd (D-CT) has also spoken out on the need for public financing of campaigns, as reported last year in *The Hill*. In the past, so has Democratic Iowa Gov. Tom Vilsack. Rep. Kucinich is a longtime backer of the same policy. And Gov. Bill Richardson (D-NM) recently called for full public financing of elections in his home state of New Mexico. Sen. John McCain (R-AZ) is best known for his leadership on the McCain Feingold law (BCRA), which banned soft money contributions to federal parties. But he's also been an active supporter of the Clean Elections system in his home state, Arizona and in other states as well.

There are efforts underway in Congress to redesign and modernize the presidential system, led by Sen. Russ Feingold (D-WI). In addition, there is mounting support to bring Clean Elections public financing to Congressional campaigns. In the new Congress, 110 members have either already signed a pledge in support of full public financing of elections or have been co-sponsors of Clean Elections legislation in the past. Sen. Dick Durbin (D-IL) has announced he will introduce legislation to bring full public financing to Congressional campaigns; a similar bill authored by Reps. John Tierney (D-MA) and Raul Grijalva (D-AZ) is expected to be introduced in the House.

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With the horse race for the 2008 presidential election well underway nearly two years before Election Day, the media will increasingly focus on the more than a billion dollars flowing into candidates' coffers. Many will follow *The New York Times'* lead in declaring the current presidential public financing system dead. Meanwhile, candidates will be collecting money from wealthy donors who expect something in return if they are elected, while ordinary voters, who do not have room in their household budgets to hand out \$4,600 checks to candidates will be left out in the cold. Now more than ever, it is important to see impassioned leadership and a healthy debate about reforming the system of public financing of presidential campaigns. Otherwise, we are surely inviting new corruption that will make the story of Jack Abramoff look like a benign fairy tale.

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Public Campaign is a nonprofit, nonpartisan organization dedicated to sweeping reform that aims to dramatically reduce the role of big special interest money in American politics. *For more information, go to www.publiccampaign.org.*