

“Suffolk County Campaign Finance Reform”

What is the problem?

Why should I care?

“What Is The Problem?”

Most Americans don't vote or even pay attention, for a very logical reason.

- 49% voted nationally in 2000, 28% voted in Suffolk in 2001 – over 600,000 Suffolk residents did NOT vote
- 59% of Americans believe elections are generally for sale (Gallup/CNN/USA Today poll 10/97)
- 75% estimated that many public officials generally made or changed policy positions as a result of political donations (NY Times 4/97)
- 80% think politicians often do special favors for people and groups who give them campaign contributions (NY Times 4/97)
- 90% say “political contributions have too much influence on elections” (Newsweek 10/22/99)

Supreme Court Justice David Souter: “I think most people assume – I do, certainly – that someone making an extraordinarily large contribution is going to get some kind of an extraordinary return for it.” (2001)

Sen. Christopher Dodd (D-CT): “It used to be that lobbyists waited in the lobby. Now they're being whisked into offices to write legislation. Those who write the checks, write the laws ...” *Christian Science Monitor*, 12/8/95

Conclusion: many believe their vote doesn't make any difference

Fewer civic-minded citizens are even willing to run for public office.

- Nationally 55% of candidates for statewide office report spending at least 1 out of every 4 of their waking hours raising money for their campaigns
- 23% report spending more than half their time raising money (Public Campaign 6/01)
- (NY Times 7/16/01) At least 8 freshman House Members (including Steve Israel, D-NY) raised more than \$300,000 in the first six months of 2001 for their re-election campaigns Just how much time does it take to raise \$1,666.67 per day! How much time is left over to do their jobs?!
- 87% of Americans think “good people [are] being discouraged from running for office by the high cost of campaigns” (Newsweek 10/22/99)
- **Local** -- Incumbent Suffolk County legislators raised on average \$51,714 for their 2001 campaigns; County Executive has \$1.2 million in his campaign account for a race that is still a year away!

Do we want only rich people or people with rich friends to be our elected representatives? That is what is happening due to the exorbitant cost of today's campaigns and candidates' dependence on a few (or themselves) to bankroll expensive campaigns.

Conclusion: few qualified people are willing to even run for office

(Don't think uncontested races are a problem? In 2000, 14 of 31 congressional races in NYS were financially uncontested! And 5 races for Suffolk legislator were financially uncontested in 2001.)

Most people say the most important issue is (fill in the blank), but think again.

- Corporate Reform – Members of the House-Senate conference committee that drafted the final version of the bill Pres. Bush signed on July 30, 2002 have received over \$770,000 from the accounting industry alone since 1999. House Finance Comm. Chairman Michael Oxley (R-OH): \$73,500; Sen. Christopher Dodd (D-CT): \$68,000. (Much *more* from big business.) Example: prohibition of the same company auditing and consulting for the same client was deleted from the bill; financial reporting of stock options also deleted from bill that passed.
- Education – NYSUT \$515,631 to NYS Leg's (1999-2000) (Citizen Action NY) ranks as the second largest PAC in contributions in NYS
- Environment --
Ex.: SUV's are exempt from auto emissions requirements and subject to relaxed fuel efficiency standards –
Nat. Assoc of Auto Dealers PAC: \$2,498,700
UAW PAC: \$2,150,050 (1999-2000) (Comm. for Responsive Politics - CRP)
- National Defense --
Lockheed Martin - \$2.4 million to federal candidates in 2000
Raytheon -- \$914,000 to federal candidates in 2000
Total defense industry -- \$13.6 million
PAC's only -- \$6,220,710 (1999-2000) 66% R's, 34% D's (CRP)
- Health Care – ex.: "Patients Bill of Rights" debate since 1996
Health Professional PAC's -- \$12,139,161 51% D's, 49% R's (CRP)
HMO/Health Services PAC's contributed \$1.3 million: 32% to D's, 68% to R's
Prescription drug industry contributed \$9 million (2000 'soft money')
(*USA Today* 8/2/01) 71% of Americans support a Patient's Bill of Rights, but ... "It appears lawmakers don't want to enact a law that offends big sources of campaign cash, regardless of its popularity with the public."
- Social Security --
Securities and investment firms in 2000 contributed \$38.9 million in soft money
Line-up for battle: securities firms, National Assoc. of Manufacturers, US Chamber of Commerce, NFIB, Pfizer, Aetna, etc. vs. AFL-CIO, AARP, etc.
This high-priced line-up threatens to lengthen the 'debate' while politicians on both sides maximize their contributions! (CRP)

Aside: Corporations have been prohibited from donating money to federal candidates since 1907! Unions since 1947! These laws are (technically) still on the books.

Aside: “Pork Projects” – (Reuters 7/5/01) House members have requested 18,898 “earmarks” for this budget cycle (2001-2) totaling \$279 billion. This equals an average of 43.4 “earmarks” per member, totaling \$641,379,310 per member! How many of these pork projects are directly targeted for campaign contributors? This is just one way that all Americans pay for politician’s campaigns.

Conclusion: the public is already paying for the corrupting system of campaign financing by 1) skewing the legislative process to favor those who pay, therefore penalizing those who don’t; 2) by increasing expenditures (and therefore taxes) by creating unnecessary projects or overpriced products (remember the \$38 hammer and the \$79 toilet seat?); and 3) by shifting the tax burden to those not in a position to influence the tax code and create tax loopholes.

That is some of what’s wrong – here’s how to fix it.

“Fixing Our Democracy” – Three Important Steps:

Disclosure: Who’s giving, who’s getting, how much? ... Then let the voters decide
Easily available data for the public to decide if a candidate may be unduly influenced by large donations and to know what individuals or organizations or corporations are supporting which candidates

CF Board website now on-line providing much of this data locally

Limiting contributions and expenditures

No politician is likely to be unduly influenced by \$50 or \$100

By limiting expenditures to amounts large enough to convey a candidates’ message to the public but small enough to prevent discouraging competition from even entering a race, contested elections good for the democratic process are encouraged

Removing the temptation and potential influence: Public Financing

Reduces or eliminates a candidate’s reliance on a few rich benefactors who may then wield influence; permits candidates to spend more time addressing the duties of their office; allows candidates time to interact with more ‘regular folks’

In the jurisdictions across the country that have implemented public financing programs these reforms have resulted in documented improvements in: 1) candidate diversity (women, minorities, and relatively poor candidates), 2) fewer uncontested races, 3) candidates spending less time fund-raising, and 4) a public perception that elected officials are less beholden to a few rich benefactors.

Likely result of these three reforms --

“Renewed and invigorated involvement by our citizens”

When citizens once again believe in the honesty of the election process, they will be motivated to vote and participate; in other words, to renew democracy

“Successful Solutions” – the three types of public financing programs:

1. Matching funds --
NYC, among others; public funds match private donations raised by the candidate abiding by ‘amount’ and ‘source’ restrictions and enhanced disclosure
2. “Clean Money” --
Maine, Vermont, Arizona, and Massachusetts; provides public money to fund a candidate’s entire campaign, after proving his/her viability by raising a threshold amount from individual residents in small amounts
3. Grants – Suffolk County’s Law --
Suffolk’s legally established system, among others; provides fixed-amount funds to a candidate’s campaign in return for voluntarily limiting their private fund-raising practices and achieving a threshold amount to prove viability; also includes enhanced disclosure

Americans support the idea of full public financing **[Clean Money]** for federal elections similar to Maine, Arizona, etc. by a margin of 68% to 19%. Support crosses every demographic group:

Democrats	76% to 15%
Independents	71% to 14%
Republicans	59% to 27% (Public Citizen 04/03/00)

71% of NYS voters support Clean Elections reform (Citizen Action of NY 12/00)

Burt Neuborne, Brennan Center for Justice, NYU, “The costs of political corruption, and the price of tilting politics towards the rich may be far greater than the cost of a public subsidy. For example, the savings and loan crisis – at heart a campaign finance scandal – cost taxpayers \$300 billion, enough to fund all congressional campaigns for 600 years.” *A Survey of Existing Efforts to Reform the Campaign Finance System*, Brennan Center for Justice at NYU School of Law, 1998

Similarities to Enron/Arthur Anderson/WorldCom/etc. with the above scandal are significant: regulation NOT passed, deregulation approved, and great cost to many, great wealth to a few

Suffolk Life Editorial 2/4/01: “Most Americans are tired of seeing our country put up for sale during every election from dog catcher to the presidency. Running for any office has become a terribly expensive ordeal. Most contributors do not give money to anyone without the expectation of a return. ... few people are willing to put their money where their mouth is, and this void is filled by unions, corporations and vested interest groups who can profit be manipulating government.”

The Myth: The public will never pay for politicians’ campaigns!

The Reality: “55.3% of Americans live within a state, city or county that provides taxpayer money for public financing of campaigns” Most established by voter initiative! (See Table 6, *Quadrennial Report No. 1*, SC Campaign Finance Board, published May 2001)

Suffolk’s public financing program, including public funds *and* program administration, could be completely paid for by county revenues (sales tax receipts, property taxes, etc.) at a “cost” of about 65 cents per resident per year! Expressed another way, the cost of the program would be about \$1.07 per registered voter per year!