




League of Women Voters of Minnesota Records

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The League of Women Voters of Minnesota

UPDATE:
Minnesota Campaign Financing
Legislation
September 1973

Memo to: Local Leagues
From: State Action Committee
September 21, 1973

Status and Strategy: The LWV has joined in coalition with the Joint Religious Legislative Council and Common Cause to push for an omnibus bill which will have strong campaign financing provisions and regulations on ethics and lobbying. The House bill (HF 951) is on General Orders and will be considered shortly after the 1974 session convenes. Among the amendments to be offered at that time, and already agreed to, will be one to remove a dollar limit on the amount of money political parties can spend. (The dollar limit threatens the operation of strong political parties. League supports its removal.)

The Senate omnibus bill is SF 1005. It is expected to be before the Senate Government Operations Committee in October. It must still pass Senate Tax and Finance Committees. (SF 1197 is the bill dealing only with campaign financing regulation and public funding. The substance of this bill is being used in SF 1005 along with the lobby regulation and ethics provisions.)

Timing will be very important. Under the proposed legislation, records and filing are to begin before a candidate receives or spends over \$100. With the November 1974 elections looming, this legislation must get passed and implemented quickly if there is to be effective regulation of these elections.

Leagues should be informing their communities on the need for effective campaign financing legislation with some public funding. It is a good time to begin to tell your legislators of League's interest. The Senators on Government Operations - Gearty, Kleinbaum, Ashback, Borden, Chenoweth, Conzemius, Mel Hansen, Hughes, McCutcheon, Milton, Nelson, North, Ogdahl, A.J. Perpich, Pillsbury, Schaaf, Stassen, Stokowski, Ueland - should be contacted. You will be asked to talk to other legislators when the need arises.

SF 1005 - Major campaign financing provisions:- (League is not speaking to the ethics or lobbying provisions except to support the omnibus bill concept.)

This is a strong bill, meeting many of League's criteria. It deals only with state-wide and state legislative elections. It repeals the current limits and reporting procedures for these races.

Candidate responsibility: There is to be only one "primary political committee" for a candidate; it will be legally responsible. It must keep and file records, must have a chairman and treasurer before raising money or spending money, must have a single depository per county. A person or committee spending in excess of \$100 on behalf of a candidate must receive authorization from the treasurer of the "primary political committee" and certification that the expenditure will not exceed the limit.

Mandatory, timely, uniform and complete reports:

For contributions and expenditures: Name (in alphabetical order), mailing address, occupation, place of business, date and amount. Expenditures must be detailed if they are in excess of \$100 or if the year's aggregate exceeds \$100. Contributions to state-wide campaigns must be detailed if they are in excess of \$100 or if the year's aggregate exceeds \$100. For legislative races the reporting figure is \$25. Loans, transfers, expenditures authorized to be made by others, value of in kind services must all be reported. There are two reporting dates in nonelection years, January and June. In election years reporting dates are June, August, 5 days before the primary, October, 5 days before the general election, and 30 days after the election.

In election years, if \$3,000 is received in a state-wide race or \$300 in a legislative race after the last report before an election has been filed, it must be reported by telegram within 48 hours of receipt.

Centralized authority: The bill establishes a State Elections Commission of six people, bipartisan, 7 year terms. They are to use the Secretary of State's administrative services. The commission prepares rules, instructions, forms to implement the law. It receives all committee filings and reports. It files, cross-indexes, compiles summaries by candidate of the reports and makes the information available to the public. It is to notify candidates if they failed to file, if filings are inaccurate or if a complaint has been filed. They may investigate, audit, issue subpoenas, seek injunctions. Violators are reported to the attorney general or the county attorney.

Copies of the reports are to be filed also with the county auditor in the legislative races.

Penalties: The major enforcement is considered to be an informed public. The legal penalties are mainly misdemeanors on the rationale that they will be enforced where severe penalties would not be. The stricter penalties are: it is a gross misdemeanor to redirect funds to circumvent the law; to make a contribution in the name of another. It is a felony to knowingly certify inaccurate information. For exceeding the limits, a fine up to three times the amount in excess may be imposed.

Limits on Expenditures: Governor-Lt. Governor as a team - 15¢ per capita or \$600,000 whichever is greater. (A candidate for Lieutenant Governor can add to this limit what he spent prior to the party convention up to \$30,000 or 5% of the combined limit.) Remaining state officers - 5¢ per capita or \$200,000 whichever is greater; Senator - 25¢ per capita or \$15,000 whichever is greater; Representative - 25¢ per capita or \$7,500 whichever is greater. If the candidate is in a primary and receives less than 70% of the vote, 1/6th of the limit or actual expenses - whichever is less - can be added to the limit. During nonelection years, 20% of the limit can be used for campaigning. Cost-of-living escalation in limits is provided.

Limits on Contributions: Contributions to one candidate from one source cannot exceed 10% of the candidate's limit.

An individual or group cannot spend on their own in excess of \$100 without
1. Filing with the State Elections Commission (An individual giving to the candidate's principal political committee need not file.)
and

2. Getting prior written authorization from the candidate that the amount does not exceed his limit.

If an individual or group is not authorized by the candidate their material must state "Not authorized..." Out-of-state committees can't give more than \$100 without identifying sources. An exception is national political parties giving to state political parties. This money must be used for general expenses, not passed on to a specific candidate. Anonymous contributions in excess of \$10 are not allowed. The excess money is to go to the state general political campaign fund set up under the public funding provision. (See below)

The limit on what individuals, political committees or political parties may spend is the authorized or contributed 10% of a candidate's limit. However, there is no limit to the number of candidates that may be supported. A political party can either transfer up to 10% of a candidate's limit to his principal political committee or it can spend as a party up to 10% of his limit. In the latter case, this may be in addition to the limit, but in no instance can it exceed the 10%. Multiple, slate advertising is to be pro-rated among the candidates involved. The amount spent promoting parties and issues is not limited as long as candidates are not mentioned.

Public Funding: The bill sets up a \$1. state income tax check-off allowing designation of a particular party or the general fund. The party money is divided 10% to the party (for precinct caucus expenses); the rest, among all of the state-wide and legislative candidates of the party, after the primary. The general fund is divided among all of the candidates receiving over 5% of the vote in the general election; the money to be distributed two weeks after the general election.

Areas of controversy:

| <u>ISSUE</u> | <u>ADVERSE COMMENTS</u> | <u>LEAGUE POSITION</u> |
|--|---|---|
| 1. Public funding - the tax check-off | Opposition to public funding. Money should come from volunteer contributions. | League "supports the judicious use of public resources." League supports the tax check-off. |
| 2. Additional encouragement of broadening the funding base. (The bill does not deal with this.) | Preference for a tax credit allowing 1/2 of a maximum \$25 donation. | League could support this also. |
| 3. Only 10% of a candidate's limit can come from one source. (To limit the influence from one donor, including the political parties.) | The parties function differently, with the Republicans having greater centralized funding. They now may provide up to 1/3rd of a candidate's funds. DFL candidates have lesser party money, more funds from other groups. The 10% limit will be more apt to interfere with current Republican party operations. | League favors strong, responsible parties. The bill should not be seeking partisan advantage. |

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|--|--|---|
| 4. Allowing up to \$100. to be spent without candidate approval or counting as part of limit. | This is seen as a loop-hole. | League feels that some exception should be allowed to give an individual the right to express his own political opinion. To forbid the individual this right could be unconstitutional. If it should be abused, future legislation could correct the problem. |
| 5. Allowing candidates (incumbents and challengers) to spend an additional 20% in nonelection years. (Recognizing and requiring reporting of what goes on anyway.) | This is of further benefit to incumbents who have a tremendous advantage anyway. | The bill does little to give challengers a chance to overcome an incumbent's advantage. Very little is being proposed to remedy the problem. LWV would support good solutions. |
| 6. Not requiring reporting of contributions under \$100. in statewide races, \$25. in legislative races. | To inform the public, everything can and should be reported. | At some point the sheer bulk of reports defeats the purpose of informing the public. The costs of campaigning can become excessive and limit those able to run. Whether \$100. or a lesser amount is best, experience will show. League supports some exemption in reporting. |
| 7. Allowing, with regulation, contributions from special interest groups. | All special interest contributions should be forbidden. | They should have the right to speak in the political process. Rather than forbidding this activity, League feels that publicity, through reporting, is their best regulation. |
| 8. The bill repeals all limits or reporting requirements for all other elections in the state - municipalities under 20,000 population, county, township. | | To totally abolish all legal restraints does not seem wise. League urges maintaining for the current laws. |

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102
October 1973

TIME FOR ACTION

To: New Brighton; St. Paul (Chenoweth, North, McCutcheon);
West Dakota County (Conzemius); Golden Valley (Nelson);
Mankato (Ueland); Minneapolis (Gearty, Mel Hansen, Ogdahl, Stokowski);
Woodbury (Hughes); Mid-Mesabi (A.J. Perpich), Fridley (Schaaf);
St. Cloud (Kleinbaum); Wayzata (Pillsbury); Northern Dakota
County (Stassen); White Bear (Milton)

From: Liz Ebbott, State Action

Re: Campaign Financing

October 1, 1973

This is a selective Time for Action going to Leagues with Senators on the Government Operations Committee. Monday, October 8 the committee will meet to consider SF 1005 the comprehensive campaign financing, ethics and lobby regulation bill. It is important that your Senator knows that the League supports strong, workable campaign financing regulations and would like his support of the bill. It is important that the legislation progress so that it can be passed early in 1974 to be effective in the 1974 campaigns.

For your background on the issues use LWV of Minnesota "Update on Minnesota Campaign Financing Legislation" that was sent in the September Board mailing. A copy of the "Update" has been sent to your Senator. Enclosed is a summary of the bill and a copy of an editorial about it.

A personal visit to discuss campaign financing would be best. Phone calls and letters are also useful.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55108

Memorandum to the Members of the Senate
Government Operations Committee

From: Mary Ann McCoy, State President and
Elizabeth Ebbott, Lobbyist, Campaign Financing

Re: League of Women Voters of Minnesota Analysis
of proposed Minnesota Campaign Financing Legislation

October 2, 1973

We would like to draw your attention to the enclosed League of Women Voters' analysis of Minnesota Campaign Financing legislation. We are urging prompt passage of strong workable legislation which does not seek partisan advantage.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

Testimony before Governmental Operations Committee, Minnesota Senate,
by Mary Ann McCoy, President, League of Women Voters of Minnesota
on October 8, 1973, 8-10 a.m., Room 112, State Capitol

The League of Women Voters of Minnesota has been supporting reform of the state's campaign financing legislation since 1961. We are joined in this issue now by other citizens groups. Together we urge that strong, workable campaign financing legislation be passed early in the 1974 session so that there may be effective regulation of the 1974 elections.

The bill before you has many features which our members consider important. By authorizing only one primary political committee which must be accountable for all funds, this bill increases candidate responsibility. We support limits on campaign expenditures and the dollar check-off approach to public funding. This bill centralizes authority in a bipartisan commission for regulation and enforcement which is necessary for a meaningful and workable law.

A major concern we have is that this legislation which so directly concerns all legislators, state officials, and political parties not be used as a partisan tool at the expense of the public interest. We favor citizen participation through sound, responsive political parties and party accountability for legislation. Good campaign financing legislation should enhance rather than weaken this concept.

We would also like to point out that the bill speaks only to state-wide and legislative offices. It repeals the current law that has limits and reporting requirements for all elections in the state. We question the wisdom in removing legal restraints in these other elections. Can provisions in the present campaign practices law covering other elections be encompassed by the new law?

As an organization of members concerned with effective citizen participation in the democratic process of government, we submit these comments. Furthermore, we point out that no matter what a citizen's party preference or special interest may be, all citizens have a stake in writing good, enforceable legislation. The public's confidence in its governing process must be restored. Citizens must feel assured that they are represented and that the government speaks for their best interests. Government based on the faith and the support of the people is the real issue. Minnesota needs a good campaign financing law.

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League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

November 9m 1973

TO: Leagues with Senators on Government Operations
FROM: Liz Ebbott, Lobbyist, Campaign Financing
RE: Time for Action

During the week of November 19 - 23 the campaign financing bill will be acted upon by the Senate Government Operations Committee. Write/phone your Senator now to let him know the people want legislation passed. (See Update on Campaign Financing sent with the August 1972 Board Memo and Capitol Letter, October 24, 1973.)

The meetings will be Monday, November 19, 8:00-10:00 a.m.; Wednesday, November 21, 8:00-10:00 a.m.; Friday, November 23, 8:00 a.m.-12:00; State Capitol, Room 112. You will find it very interesting to attend. We especially need a full audience on Friday, November 23. Try to come and bring a car full - wear your League buttons.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102
November 16, 1973

TO: Leagues with Senators on Government Operations

FROM: State Office

RE: Time for Action on Campaign Finance Hearings

Apologies are in order. The dates in the Time for Action you received last week were in error. There will be no more hearings until the second week of December. We will alert you to dates and times so keep your people primed.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

TO: Presidents and Action Chairmen - Ramey County, Mahtomedi Area, St. Croix
Valley, Woodbury, Northern Dakota County.

FROM: Liz Ebbott

RE: Action, Campaign Financing

A briefing and lobbyist training session on state Campaign Financing legislation will be held Tuesday, November 27, 7:00 p.m., Macalester College Chapel, Grand and Snelling, St. Paul. This is a joint effort with the Joint Legislative Religious Council, Common Cause, DFL Feminist Caucus, GOP Women for Political Effectiveness and the League of Women Voters. The need for new laws, the pending legislation, and lobbying techniques will be discussed. Each state legislative district or congressional District 4 and part of District 1 will be organized to lobby this bill. We need a big turnout.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102
November 19, 1973

TO: Hennepin County Leagues, Fridley, Anoka, Blaine, West Dakota County, Northfield,
Hutchinson, Buffalo, Columbia Heights, Chaska

FROM: Liz Ebbott

RE: Action, Campaign Financing

A briefing and lobbyist training session on state campaign financing legislation will be held Tuesday, December 4, 7:00 p.m., Minnesota Church Center, 122 W. Franklin, Minneapolis. This is a joint effort with the Joint Legislative Religious Council, Common Cause, DFL Feminist Caucus, GOP Women for Political Effectiveness and the League. The need for new laws, the pending legislation and lobbying techniques will be discussed. Each state legislative district in congressional Districts 3, 5 and parts of 1, 2, 6 and 8 will be organized to lobby this bill. We need a big turnout!

League of Women Voters of the U.S.
1730 M Street, N.W.
Washington, D.C. 20036

January 10, 1974

STATEMENT OF POSITION ON CAMPAIGN FINANCING

The League of Women Voters of the United States believes that changes must be made in the methods of financing political campaigns in order to make our government more accountable, more representative and more responsive to all of our citizens.

The goals of a campaign finance system should be:

- to ensure the public's right to know;
- to combat corruption and undue influence;
- to enable candidates to compete more equitably for public office.

To achieve these goals, the League favors a system of combined private and public funding and supports the following campaign financing measures:

Disclosure

- Require full and timely disclosure of all campaign contributions and expenditures.
- Require each candidate to designate one central committee to coordinate, control and report all financial transactions.

Limitations

- Limit the size and type of contributions from all sources, including stringent limits on the use of cash.
- Limit total expenditures consistent with full discussion of the issues and adequate exposure of the candidates.
- Limit expenditures for the broadcast media if there are no limits on total expenditures.

Enforcement

- Establish an independent body to monitor and enforce the campaign finance laws.

Base of Funding

- Encourage broad-based contributions from the general public and the use of tax credits and deductions.
- Provide public financing including income tax checkoff and supplemental government appropriations.
- Equalize the use of government services, such as franking, for challengers and incumbents.

Use of the Broadcast Media

--Modify the equal time law to facilitate debate and discussion of issues by major candidates, yet allow reasonable opportunities for all candidates to present their views.

Length of Campaigns

--Limit the length of campaigns.

AMPLIFICATION OF POSITION

The League's position on campaign financing reflects our continuing concern for open and honest elections and for maximum citizen participation in the political process. We therefore support broad-based citizen involvement in campaigns, including volunteer efforts and limited financial contributions. Recognizing, however, that limited private contributions alone cannot provide adequate funding, the League favors the use of public funds, in addition, to finance political campaigns.

Goals

"To enable candidates to compete more equitably for public office" reflects two distinct concerns: first, that differences in candidates' personal wealth and other financial resources not be a necessary consideration in seeking public office; second, that insofar as possible there be an equalization of opportunity for challengers and incumbents.

Disclosure

"Full and timely disclosure" means full disclosure of contributions before elections and full disclosure of expenditures and other financial transactions by a stated deadline.

"One central committee" does not imply a limit to the number of campaign committees that may work for a candidate. It means that each candidate would have a central financial committee to account for all campaign contributions and expenditures and to report these financial transactions to the appropriate regulatory body.

Limitations

The League believes that limits on contributions and expenditures should be realistic and reasonable: high enough to be enforceable and to allow both for discussion of the issues and for visibility of the candidates. Limits should not be so low as to affect challengers adversely.

"Type of contributions" refers to contributions in goods and services, such as office space and personnel, telephone and mail, use of credit cards, etc., as well as money.

The "use of cash," i.e. currency without a written instrument, should be limited to small amounts but not so limited as to prevent out-of-pocket contributions by citizens.

Enforcement

An "independent body" refers to an elections commission to centralize reporting and overseeing of campaign receipts and expenditures of each candidate and to enforce the campaign financing laws. Such a commission must be adequately funded and staffed, with powers to investigate, to subpoena and to initiate court action against violators. Strong penalties should be provided for violations.

Base of Funding

The League favors a mixed system of private and public funding of campaigns that encourages small individual contributions, increases the use of tax credits and deductions and the income tax checkoff, and makes additional government funds available to bona fide candidates who have demonstrated substantial public support.

The League believes that the government should supply some services such as telephone, office space and candidate information, partly to help equalize the assets of incumbents and challengers. The League believes that incumbents should not be allowed to use the franking privilege before elections or, conversely, that challengers be extended some free mailing privileges.

Use of the Broadcast Media

The effect of the equal time provision has been to lessen the amounts of public service time available to major political candidates. Because the League believes that political campaigns should be characterized by full discussion of the issues, we favor changes in this law which would give bona fide candidates more opportunity to discuss substantive questions.

Length of Campaigns

The League believes that the length of campaigns should be shortened, for example, by limiting the time period between primaries and general elections. Campaigns should be long enough, however, to allow for discussion of the issues and adequate visibility of all candidates, especially challengers.

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This position is applicable to all federal campaigns for public office-- presidential and congressional, primaries as well as general elections. It may also be applied to campaigns for state and local office.

news release

The League of Women Voters of the United States

This is going on DPM

(Following is a sample press release on the campaign financing position which you may wish to adapt for use in your media. You may also wish to insert a couple of paragraphs relating the national position to your League's action plans)

The League of Women Voters of the U.S. today called for a combination of public and private financing of political campaigns as part of its national position on campaign financing. The position, based on a six-month study by members all over the country, also covers disclosure, enforcement, limitations on funding, length of campaigns, and the use of the broadcast media. It applies to all campaigns -- federal, state and local -- and to primaries.

"The League of Women Voters believes that government is for the people and should be by the people; and that citizen participation in politics is essential to the continuance of our system of government. Therefore, campaign financing methods involving more people in the political process is a most important issue in our country today," League President Lucy Wilson Benson said.

"It is for this reason that we are calling for a combination of public and private financing. The citizen must become more involved not less involved in the political process if we are going to have honest and decent campaigns and government.

"The League's position on campaign financing will be the basis for national action in 1974 to ensure the passage of an effective, enforceable campaign financing law this year. We shall encourage state and local Leagues to work for reforms at the state and local levels and to monitor and compile the votes of their federal legislators on campaign reform bills," Mrs. Benson said.

Action on this subject was taken by the League's Board of Directors at a meeting held at national headquarters in Washington, D.C.

MORE

The national position, approved by the Board, states that: "The goals of a campaign finance system should be: to ensure the public's right to know; to combat corruption and undue influence; to enable candidates to compete more equitably for public office."

To achieve these goals, the LWVUS favors a system of combined private and public funding and supports the following campaign financing measures:

Disclosure--Require full and timely disclosure of all campaign contributions and expenditures; require each candidate to designate one central committee to coordinate, control and report all financial transactions.

Limitations--Limit the size and type of contributions from all sources, including stringent limits on the use of cash; limit total expenditures consistent with full discussion of the issues and adequate exposure of the candidates; limit expenditures for the broadcast media if there are no limits on total expenditures.

Enforcement--Establish an independent body to monitor and enforce the campaign finance laws.

Base of Funding--Encourage broadbased contributions from the general public and the use of tax credits and deductions; provide public financing including income tax checkoff and supplemental government appropriations; equalize the use of government services, such as franking, for challengers and incumbents.

Use of the Broadcast Media--Modify the equal time law to facilitate debate and discussion of issues by major candidates, yet allow reasonable opportunities for all candidates to present their views.

Length of Campaigns--Limit the length of campaigns.

#

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

To: Members of the Minnesota House of Representatives
From: Mary Ann McCoy, President, League of Women Voters of Minnesota
Re: Campaign Financing Legislation
January 28, 1974

HF 951, as amended January 22nd sets campaign practices which can effectively serve candidates, their supporters, and the public at large. The League of Women Voters of Minnesota recognizes the hours of careful consideration this measure is receiving. We commend the authors and the committee members who have sought and heard testimony from a variety of citizens, elected officials, former candidates, and public interest groups. This diligence is reflected in the progress of this bill leading to your present action.

League of Women Voters studies and observation for almost two decades have strengthened our support for certain criteria in effective campaign practices. We agree that HF 951 provides for timely disclosure of contributions and expenditures, fixes with the candidate responsibility for practices of campaign committee, and facilitates public funding both by tax check-off and by tax credits.

As you consider provisions of HF 951, we wish to direct attention to the method of selecting the members of the Ethics Commission. We are aware that complete selection by the governor (with approval of the senate) is an option that is being discussed. This would remove this commission from direct choice by either legislative body, while retaining a means of legislative review.

Public confidence and bipartisan support are key factors in sound campaign financing legislation. In the matter of percentage allowed for political party contributions to candidates, we submit that the compromise of 40% that has been suggested may increase bipartisan support for the bill. We commend this to your consideration. This provision would broaden the base of candidate finances by permitting increased participation of political party supporters through their general contributions to their party.

In anticipation of the effect it will have on elections in 1974 and subsequent years, we hope that upon discussion and deliberation you will approve HF 951.



January 29, 1974

Dear Representative:

We, the undersigned representatives of Minnesota public interest groups, write to you to express our strong support for H.F. No. 951, the comprehensive State Government Ethics Bill.

The need for fundamental political reform is urgent. Our present laws and rules are clearly inadequate. The 1974 elections are approaching and campaign funds are already being raised.

Public confidence in political institutions is at an all-time low. Recent events have intensified public cynicism and indifference. As groups concerned about the quality of Minnesota Politics, we fear drastic consequences unless you act now to curb abuses and restore public confidence.

We strongly support H.F. No. 951 and its emphasis on disclosure and enforcement. The present campaign financing law consists of a carefully drafted loophole surrounded by pleasant rhetoric. The present rules covering lobbyists and conflicts-of-interest are neither adequate nor enforced. We urge the establishment of an independent bi-partisan state commission to monitor the implementation and enforcement of new requirements for candidates, lobbyists and public officials.

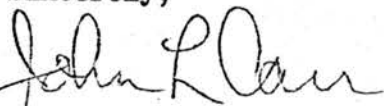
This is not a perfect bill, but it is a good faith effort to deal with the complex problems of money in politics. It is a tough, workable, enforceable and constitutional approach.

We do suggest that the limitations on political parties be modified. We suggest the present 20% limitation is too severe and should be raised to 40% as in the Senate version of the bill. This amendment offers a fair and reasonable compromise on the difficult problem of placing limitations on political parties.

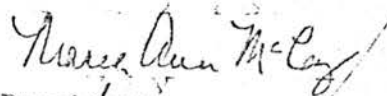
This bill has bi-partisan authorship. We hope it will pass with bi-partisan support. We urge you to resist the temptation to handle this issue as a partisan football. Political Reform is too important to be used as points in a game of political one-upmanship.

We urge you to vote favorably on H.F. 951 and to oppose weakening amendments. People have a right to know who is financing whose campaign, what potential conflicts-of-interest exist and how much lobbyists are spending to influence our government.

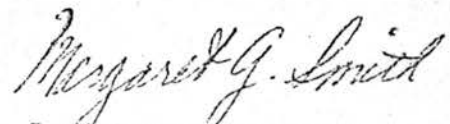
Sincerely,



Chairman
Political Reform Task Force
Joint Religious Legislative
Committee (JRLC)



President
League of Women Voters
of Minnesota



Legislative Chairman
Common Cause-Minnesota

ARNE H. CARLSON
DISTRICT 58B
4301 FREMONT AVE. S.
MINNEAPOLIS, MINNESOTA 55409



FEB 8 1974

COMMITTEES:
CRIME PREVENTION AND CORRECTIONS
ENVIRONMENTAL PRESERVATION
AND NATURAL RESOURCES
GOVERNMENTAL OPERATIONS
HIGHER EDUCATION

State of Minnesota

HOUSE OF REPRESENTATIVES

MARTIN OLAV SABO, Speaker

February 6, 1974

Ms. Mary Anne McCoy
State Chairperson
League of Women Voters
555 Wabasha
Saint Paul, Minnesota 55102

Dear Mary Anne:

Just a brief note to thank you for the very fine work that you and your organization have done relative to campaign financing and ethics. The bill represents an excellent first step forward and is one that is in the best interest of the people of the State of Minnesota.

It does, however, seem to me that the people of the state are being left with an impression that all "campaign reform" legislation is good and that all bad practices have been eliminated. I am certain you will agree that this is not the case. However, sometimes partisan rhetoric tends to outdistance reality.

There are three items that specifically disturb me. They are:

1. The elimination of rotation on the ballot.
2. The continuation of allowing legislators, either as individuals or as members of a caucus, to "solicit" funds from lobbyists during the legislative session while their bills are pending legislative action.
3. The removal of restrictions against transporting people to the polls on election day.

It would be my hope that four organizations that have been most active in speaking for ethics in campaign reform - namely, the



February 6, 1974

Page Two

League of Women Voters, the Joint Religious Legislative Coalition, MPIRG and Common Cause - would hold a press conference informing the people of this state that they regard the above three matters as gross injustices that ought to be eliminated.

I am having legislation drafted dealing with these matters and would want very much to have your vocal support.

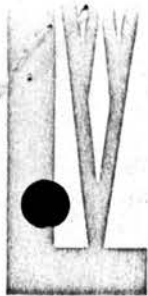
Again, I thank you very much for your service.

Sincerely,



Arne H. Carlson
State Representative

AHC:dce



For: Borg, Ebbott, Jenkins, Sellers, District Action Coordinators

memorandum

The League of Women Voters of the United States

This is not going on DPM
February 19, 1974

URGENT

URGENT

URGENT

TO: State and Local League Presidents
FROM: Lucy Wilson Benson, President; Ruth L. Sims, Action Chairman; Jeanne K. Malchon, Representative Government Chairman

RE: ACTION ALERT ON CAMPAIGN FINANCING ON TWO FRONTS

1. Immediate letters to House and Senate
2. A possible April petition drive (deadline for reporting back to LWVUS is March 4 -- see page 2)

IMMEDIATE PUBLIC PRESSURE NEEDED

The Senate will probably act on the Federal Elections Campaign Act of 1974 within the next three weeks. The ordered reported bill is not in final form yet, but is expected to contain many of the League's requirements including: a) mixed public/private financing covering both Presidential and Congressional primary and general elections; b) an independent enforcement agency; c) no cash transactions over \$100 and strict limitations on contributions and expenditures; d) required central reporting committee; e) requirements for full financial disclosure.

Write your Senators now urging support for the bill (no number yet) as ordered reported by Senate Rules, emphasizing the League's concern that small contributions from the general public be encouraged.

House floor action will probably not occur until April. House Administration is supposed to report a bill by March 15, but the House bill will be very limited from all we hear. To be included: spending and contribution limits and possibly public financing for the Presidential general election. A fight for public financing of Congressional elections is expected on the House floor.

House members need to hear from their districts now that there is voter support for a comprehensive bill which includes public financing of Congressional as well as Presidential elections; realistic spending limits (House Administration is talking of limits so low as to eliminate challengers), and an independent enforcement agency.

An official Time for Action will be issued when the House bill is ordered reported. A House/Senate Conference will be necessary, and public pressure during April and May is essential, hence the

PETITION DRIVE

1974 is the year, and now is the time, when public interest is focused on campaign financing. And yet citizens have no visible vehicle to make their voices heard. A national petition drive during the month of April is probably the only way to demonstrate to Congress a unified groundswell of public support for reform this year.

The League is the only organization that could undertake, and successfully coordinate, such a drive. We also have a recently adopted position creating an informed group of potential signature collectors. The national Board therefore recommends that we gear up to collect at least one and one half million signatures during April, (ten signatures per member) culminating the drive with an announcement at Convention of how many signatures we have. The petitions would then be mailed to Congress by state Leagues.

* * * * *

* WE ARE ASKING WHETHER OR NOT YOU THINK YOUR MEMBERS WOULD *

* LIKE TO PARTICIPATE IN SUCH A DRIVE . . . THIS MEMO IS A *

* REQUEST FOR YOUR REACTION BY MARCH 4! *

* * * * *

Outlined below are the issues to be covered on the petition, an abbreviated schedule and preliminary organizational plans.

The name of this game is numbers! If we can not reach our goal, we'd better not even begin. Congressional opponents must be convinced that their constituents want significant reform, and they would use a poor showing against us. Numbers of signatures will also serve to strengthen the backbones of Congressional supporters. This memo thus has two purposes: 1. to consult you on the advisability of conducting a nationwide petition drive; 2. to alert you so that immediate plans can be made at the local and state level for organizing the drive, if you agree it's a good idea.

In order to save everyone's time, we shall assume concurrence with the proposal if you do not respond to the Legislative Action Department of the LWVUS by March 4, 1974.

We would feel better about embarking on the campaign if we received enthusiastic "yesses," however, so do let us know how you feel, either way. Obviously the time is too short for full Board discussion, but you no doubt will want to check your executive committee or poll your Board by phone. WE LOOK FORWARD TO HEARING FROM YOU.

I. Suggested question for the petition form: We the undersigned petition Congress to enact a comprehensive campaign financing law including provisions for combined public and private financing of Presidential and Congressional elections; limitations on contributions and expenditures; and an independent enforcement agency.

II. Suggested schedule for drive

March

First two weeks: Mrs. Benson announces the drive
Local Board discusses drive, appoints chairman
National Board mails kit* to all local Leagues

Second two weeks: Petition chairman recruits committee which in turn: recruits workers, plans unit discussion, starts contacting other organizations and lining up sites; makes plans for briefing session and Public Relations begins contacting media

April

First week: (National office mails editorial material to major news media, radio
(and TV networks
(Briefing session for local workers
Local publicity
Drive: April 8-22
Inclusion of a petition form in National VOTER received by every member
Collect petitions and Count signatures: April 22-26
Turn in petitions to state League for mailing to senior Senator after
Convention
State Leagues communicate number of signatures collected to National
office: On or before April 30

May

Announcement at Convention of total signatures collected
Petitions mailed to senior Senator from each state with letter to Representatives
telling them how many signatures collected in their district

*Contents of kit

Basic guide for planning
Sample petition form for local reproduction and flyer
Public Relations materials including tips on reaching the media, suggested editorial
material, sample speech, sample press release
Q and A on campaign financing
Order blanks for flyers

III. Organizational preliminary planning (details will be in kit)

In order to collect a minimum of ten signatures per member, every member should be
asked to participate in some way. The petition chairman and her committee will have
to do a lot of planning during March to make the drive successful including:

- . determining best days, times and places to collect signatures
- . lining up and scheduling workers
- . preparing briefing materials and conducting briefing
- . lining up sites clearing with site owners or local government
- . collecting and tabulating petitions

The P.R. chairman plays a vital role in the drive in stimulating publicity, in
keeping League members informed and enthusiastic, in looking for opportunities
for League speakers to reach other organizations, and in giving the League visibility.

The local Bulletin editor should be sure that articles about the drive are carried
in both March and April issues including coverage of background on the issue, listing
the petition chairman and how to volunteer, and explaining how to use the petition
form in the National VOTER. The unit chairman will want to help plan unit briefings
in order to enlist League workers; and every Board member will want to collect sig-
natures.

A petition drive is short and fun -- it provides an easy way for every member to
participate in supporting the League's program. Here then is our recommendation for
a campaign which will stimulate member interest, educate the public, and demonstrate
to Congress that citizens want action now.

HOW DO YOU FEEL?

We had our eight district coordinators contact their Leagues for their response. About two/ thirds of the Leagues were in favor of the petition drive. Those opposed had two main reasons. Some did not agree with the League's consensus on public financing. Others did not have time for the proposed drive. One district did not report. There were 34 yes, 15 no, 2 ?, 13 not heard from and 7 more from the district that didn't respond.

Called National with our report on March 4, 1974.

| <u>For</u> | | <u>No</u> | <u>?</u> |
|-----------------|-------------------------|----------------|----------------|
| Northfield | Columbia Heights | Rd Wing | Mpls 3rd dist. |
| Owatonna | Mpls | Albert Lea | Arden Hills |
| Rochester | Mpls Buffalo | Chaska | |
| Winona | Willmar | Hankato | |
| Austin | Worthington | Hutchinson | |
| St. Peter | Anoka | New Ulm | |
| Wayzata | Hibbing | Edina | |
| Wells | Mid-Mesa | Robbinsdale | |
| Fairmont | Cloquet | St. Louis Park | |
| Bloomington | Duluth | Moundsview | |
| Brooklyn Center | Granite Falls | Fridley | |
| Brooklyn Park | Marshall | St. Anthony | |
| Crystal Lake | | Rock County | |
| Golden Valley | | St. Cloud | |
| Minnetonka | | Silver Bay | |
| Richfield | | | |
| Falcon Heights | | | |
| New Brighton | | | |
| Rosville | | | |
| St. Paul | | | |
| Shoreview | | | |
| White Bear Lake | | | |

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

February 25, 1974

The Honorable Walter F. Mondale
Senate Office Building
Washington, D.C. 20510

Dear Senator Mondale:

Proposals for federal elections campaign reform will be considered by the Senate in coming weeks. The LWV of Minnesota is concerned that this legislation will be effective in encouraging the general public to make contributions reflecting their ability and their willingness to participate however modestly in this effort. Individuals need the assurance of enforcement of all campaign practices by an independent agency. We hope such provision becomes part of this reform.

We appreciate your support of good campaign financing practices. If we may assist you in your efforts in behalf of such legislation, please let us know.

Sincerely,

Mary Ann McCoy
State President

MAM/km

To: National, Borg, Ebbott, [✓] Jenkins, Sellers, Janski, McCoy
Same letter sent to Humphrey



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

February 25, 1974

The Honorable Robert Bergland
House Office Building
Washington, D.C. 20515

Dear Congressman Bergland:

As action on a strong campaign financing law for Minnesota elections nears completion in our state Legislature, we write you about our concern for a proposed federal elections campaign law.

The LWV of Minnesota has been active in support of effective disclosure, judicial use of public funding, and realistic limits on campaign expenditures in Minnesota elections. Together with League members in the 49 other states, we seek similar campaign legislation for Congressional as well as Presidential elections.

Our experience in promoting state campaign financing reform has uncovered widespread public support for such measures, and we urge your consideration of the proposed federal legislation so that reform can be enacted and effective for the 1974 primary and general elections.

We invite your comments and your consideration as these federal measures are discussed; please let us know if we may be of assistance in this important matter.

Sincerely,

Mary Ann McCoy
State President

MAM/km

To: National, Borg, Ebbott, Jenkins, Sellers, Janski, McCoy
Same letter sent to all Minnesota Congressmen



Short Summary

The "Ethics" bill is a comprehensive attempt to regulate the conduct of lobbyists and public officials and the financing of election campaigns for state offices. The bill has six major sections. The first establishes a bi-partisan ethics commission which has responsibility for administering and enforcing the provisions of the law. The commission is composed of six members appointed by the governor with the advice and consent of three-fifths of the Senate and the House of Representatives.

The second major section deals with the regulation of lobbyists. Although there are a number of specific exemptions to the definition, generally a lobbyist is one who is paid or designated by another person or association or who spends more than \$250 in a year to influence legislative or administrative action. Lobbyists are required to register with the commission and to make periodic reports of the money they spend on lobbying.

Public officials are defined in the bill as members of the legislature, constitutional officers in the executive branch and their chief administrative deputies, major executive department officials, major legislative staff, members of the metropolitan council, metropolitan transit commission, metropolitan sewer board, metropolitan airports commissions and other state boards and commissions which have important rule making powers. Public officials are required to file a statement of their economic interests with the commission and to report any potential conflicts of interest.

The fourth major section of the bill provides the disclosure requirements for individuals, political committees and political funds. Associations who raise or spend money to influence elections must establish a political fund and keep that money separate from other funds of the association. Political committees and funds must register with the commission when they raise or spend more than \$100, and periodically report on their contributions and expenditures. The source of all contributions, loans and transfers in excess of \$50 for legislative races and \$100 in statewide races must be disclosed along with all expenditures in excess of \$100. All expenditures made with the consent, expressed or implied, of a candidate must be authorized and are counted against his spending limits. Individuals who spend money genuinely independently of the candidate must place a disclaimer on their campaign materials and must file reports with the commission if they spend over \$100.

The bill also seeks to limit the amount of money which may be spent on elections. In an election year expenditures on behalf of a candidate are limited to:

Governor and Lieutenant Governor running jointly: \$600,000
Attorney General: \$100,000
Secretary of State, Treasurer and Auditor: \$50,000
State Senator: \$15,000
State Representative: \$7,500

Political parties may contribute to a candidate up to 50 percent of his spending limits. Other committees, funds or individuals may contribute to a candidate up to 10 percent of his spending limits. Independent spenders are also limited to 10 percent.

Finally, the bill seeks to provide public financing by establishing a one dollar checkoff from income tax funds. Individuals may allocate one dollar of their taxes to either the candidates of one political party or to all qualifying candidates regardless of party affiliation. The money is allocated proportionately among the various statewide and legislative candidates.

The bill also permits a tax credit of up to \$12.50 for contributions to political parties and candidates, although the maximum credit for contributions to parties is \$5.00.



League of Women Voters Education Fund

memorandum

This is going on
Duplicate Presidents Mailing

March 8, 1974

TO: State and Local League Presidents
FROM: Ruth Clusen, Public Relations Chairman

We are delighted to tell you that the League of Women Voters Education Fund is sponsoring a public service television campaign to inform viewers about how to use the income tax check-off provision. This campaign was made possible by funds from restricted grants.

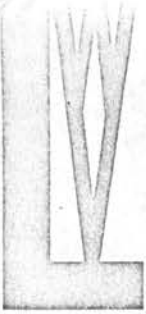
The campaign, consisting of one thirty-second and one sixty-second television spot featuring Gregory Peck, has received bipartisan Congressional support. On the spots, Gregory Peck explains the check-off provision and urges the viewer to "check-off" this year. The spots are first rate and have already been enthusiastically received by those who have previewed them.

They have been mailed to television stations across the country with accompanying letters from Lucy Wilson Benson, Senate Minority Leader Hugh Scott and Majority Leader Mike Mansfield asking stations to air them from now until April 15.

We believe that widespread use of the spots will substantially increase the percentage of persons utilizing the check-off provision on their income tax forms.

Please let your members know and if you don't see them in the next few weeks, do give your local stations a call to urge use of the spots.

#



memorandum

The League of Women Voters of the United States

*arrived
3/23/74*

This is not going on DPM

March 14, 1974

TO: State and Local League Presidents

FROM: Lucy Wilson Benson, President, Ruth Sims, Action Chairman,
Jeanne Malchon, Representative Government Chairman

On March 6, the national Board confirmed the agreement among local Leagues and voted to go ahead with a national petition drive on campaign financing during April.

Two copies of the Petition Kit will be mailed to each state and local League president the week of March 18. In addition to details about organizing for and during the drive, the kits will contain camera-ready copy for reproduction of extra petition forms. Every member will also receive a petition form in her March/April VOTER to be mailed from Washington March 28. PLEASE BE SURE TO ALERT MEMBERS TO TEAR OUT THE FORM AND TO USE IT TO COLLECT ADDITIONAL SIGNATURES.

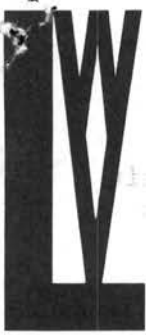
Free petition forms are included in this mailing according to the following schedule:

- 50 -- forms to Leagues with membership under 100
- 100 -- forms to Leagues with 100-200 members
- 150 -- forms to Leagues with 200-300 members
- 250 -- forms to Leagues with more than 300 members

[The above distribution is based on April 1, 1973 membership figures.]

With time being so short, we recommend that your own League reproduce any additional forms you may need. A limited number of additional forms are available at the national office priced at 2¢ a piece (no order less than 25).

Use the order form in the kit if you wish extra forms.



The League of Women Voters of the United States

memorandum

Rec'd 3/22/74
To Helene

March 1974

CAMPAIGN FINANCING PETITION DRIVE KIT

WHAT is the Campaign Financing Petition Drive?

A nationwide drive aimed at getting a million and a half signatures on a petition which calls on Congress to enact legislation to reform our system of financing political campaigns. Because it will be short, simple, and fun for the petition circulators, the petition drive is an excellent project to involve both League members and the public in the League's top priority action issue for 1974.

WHY are we undertaking this drive?

Nearly everyone recognizes that we must break the link between big money and politics if we are to combat corruption, restore confidence in elected officials and ensure broad citizen participation in our political process. It is also clear in view of Watergate and related scandals that the time for action is NOW. The public--in polls, studies, and recent elections--has made known both its disillusionment with the present system of financing campaigns and its desire for reform. Legislation that would go far to break the insidious links between money and politics while preserving and promoting needed political competition is now before the Congress. But Congress may not act at all, or may produce only a superficial law, unless there is a real and substantial outpouring of citizen opinion.

Even as you read this, strategies and tactics are underway to stall legislation such as S.3044, which includes provisions for a) a combined system of private and public financing for presidential and congressional primary and general elections, b) limits on contributions from individuals and from the candidates themselves and on the overall amount of campaign spending, c) tightening of reporting and disclosure of all financial transactions, and d) an independent Federal Elections Commission. As you know, all these provisions are consistent with the League's position. May is expected to be the month of decision. That's why April is the crucial month when we must demonstrate our concern for legislation that can greatly improve our system of campaign financing. We believe this drive will dramatize to the Congress that people turned off by the present system will tune in and participate in the political and governmental process where there's a reasonable opportunity to play a constructive role. This petition drive, we think, presents that reasonable opportunity and we urge you to join in and get those signatures.

WHEN will the drive take place?

The signature gathering is scheduled for the week of April 8-22. Preparations should begin immediately. Below is a suggested schedule.

March 18-31

Mrs. Benson announces the drive on March 18.

National Board mails 2 copies of kit to all local League Presidents March 18.

Local Board discusses drive, appoints chairman if one has not already been appointed.

OVER

March 18-31 (continued)

Petition chairman recruits committee which in turn: recruits workers, plans unit discussion, starts contacting other organizations and lining up sites, makes plans for briefing session and petition days.
Public Relations begins contacting media.
National Office mails editorial material to news media March 25.
National Office mails flyers to local League Presidents.

April

Briefing sessions for local workers April 1-7
Local publicity April 1-7
Drive: April 8-22
Inclusion of a petition form in March/April National VOTER received by every member.
Collect petitions and count signatures: April 22-26.
BE CERTAIN THAT OTHER LOCAL GROUPS WORKING ON THE PETITION DRIVE KNOW WHERE AND WHEN TO TURN IN THEIR PETITIONS. PUBLICIZE THIS INFORMATION.
Turn in petitions to STATE LEAGUE on or before April 26.
State Leagues communicate number of signatures collected to National Office on or before April 30.

May

Total signatures collected will be announced in San Francisco on May 6. State Presidents will give totals during the roll-call of states during opening session of the Convention.
Petitions mailed on May 6 to senior Senator from each state with letter to junior Senators and Representatives telling them how many signatures were collected in their district. (See Step 10 on Successful Petition Drives)

HOW can Leagues participate most effectively?

Continue planning your local petition drive using this kit as a guide.
The kit includes:

1. Ten steps to a successful petition campaign--the basic guide for planning.
2. Suggested schedule for the drive (in this memo, page 2).
3. Camera-ready copy of petition form. REMEMBER YOU WILL NOT RECEIVE ENOUGH PETITIONS FOR EVERY MEMBER SO BE SURE TO ALERT MEMBERS TO TEAR OUT SAMPLE PETITIONS IN THE MARCH/APRIL VOTER.
4. Public relations materials.
 - Working with the media
 - Questions and Answers on Campaign Financing
 - Sample speech material
 - Sample press release
 - Sample radio spot
 - Camera ready copy* of petitions
 - Flyers (will arrive later).

*Though our camera ready copy was printed in a union shop, it has no "bug." It is essential that you use a union printer for any reproduction you do and his bug must appear on reproduced copies of the petition.

MORE

5. Questions and answers on campaign financing problems and legislation.
6. Order blanks for: petition forms, flyers (from the LWVUS)

Free flyers and petition forms will be sent to each local League under separate cover:

| | | |
|-----|----|--|
| 50 | -- | to Leagues with membership less than 100 |
| 100 | -- | " " " " " " 200 |
| 150 | -- | " " " " " " 300 |
| 250 | -- | " " " " greater than 300 |

(The above distribution is based on membership figures as of April 1, 1973)

Order additional flyers and/or petition forms on the enclosed blank.

Below is a list of national organizations supporting campaign financing reforms. You may wish to contact local branches of these organizations in your area: American Association of University Women, American Civil Liberties Union (ACLU), Americans for Democratic Action, Amalgamated Clothing Workers of America (ACWA), American Federation of State, County and Municipal Employees (AFSCME), Common Cause, Communication Workers of America (CWA), The Friends Committee on National Legislation (Quakers), International Association of Machinists (IAM), League of Conservation Voters, United Methodist Church, National Association for Advancement of Colored People (NAACP), National Farmers Union (NFU), National Council of Churches (NCC), Ralph Nader affiliate groups, National Rural Electric Cooperatives (NRECA), National Women's Political Caucus (NWPC), Service Employees Union (SEU), Southern Baptist Convention-Christian Life Commission, United Steelworkers, United Auto Workers (UAW), Union of American Hebrew Congregations, United Mine Workers, United Presbyterian Church-Committee on Integrity in Government.

* * * * *

A SUCCESSFUL PETITION DRIVE can be a most rewarding experience for everyone involved--and can also be a big step toward attaining a system of financing political campaigns that will end abuses and restore confidence in the federal government. The more signatures we get, the more dramatic will be the impact on the Congress. Who knows--maybe we can even make it two million signatures! So start planning now, get those signatures.

#

League of Women Voters of the U.S.
1730 M Street, N. W.
Washington, D. C. 20036

March/April 1974

Date _____

TO THE CONGRESS OF THE UNITED STATES

State _____

WE CITIZENS OF THE UNITED STATES, BELIEVING THAT THE TAIN OF LARGE CAMPAIGN CONTRIBUTIONS MUST BE REMOVED FROM OUR POLITICAL LIFE, PETITION THE CONGRESS TO ENACT A COMPREHENSIVE CAMPAIGN FINANCING LAW INCLUDING PROVISIONS FOR

☐ COMBINED PRIVATE AND PUBLIC FINANCING OF ALL FEDERAL ELECTIONS

☐ LIMITS ON CONTRIBUTIONS AND EXPENDITURES

☐ FULL DISCLOSURE AND ENFORCEMENT

The undersigned urge their U.S. Senators and Representatives to enact significant improvements in federal campaign financing legislation.

| Name | Number and Street Address | City or Town | Zip Code |
|------|---------------------------|--------------|----------|
|------|---------------------------|--------------|----------|

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Return to:

(Name/address of local LWV)

Person witnessing signatures

Name _____

Address _____

Organization (if any) _____

DO NOT MAIL TO NATIONAL OFFICE!

PETITION TO REFORM CAMPAIGN FINANCING

From April 8-22, the League of Women Voters of the United States will conduct a nationwide petition drive asking Congress to enact legislation to reform our system of financing political campaigns. The drive will end in San Francisco, May 6-10, when the number of signatures will be announced at the League's national convention. The petitions will then be mailed to each state's senior senator.

In announcing the drive, Lucy Wilson Benson, League president, said: "We must break the link between big money and politics if we are to combat corruption, restore confidence in elected officials and ensure broad citizen participation in our political process."

The League's goal is a million and a half signatures -- 10 for each of its members. Other national organizations will join the petition drive to ensure that as many citizens as possible express their views to Congress.

The Federal Elections Campaign Act of 1974, reported almost unanimously from the Senate Committee on Rules and Administration in February, has strong bipartisan support. The bill provides for:

- ☐ a combined system of private and public financing for presidential and congressional primary and general elections. The income tax checkoff (item 8 on your tax form) would be the principal source of public funds. A candidate could choose to use public funds only, private resources only, or a mix of the two.

- ☐ limits . . . on contributions from individuals and from the candidates themselves and on the overall amount of campaign spending.

- ☐ federal matching money for candidates in primaries, once they showed public support by raising a threshold amount in small contributions. Increased tax credits and deductions would provide greater incentives for small contributions.

- ☐ tightening of reporting and disclosure of all financial transactions, with stringent limits on the use of cash.

- ☐ an independent bipartisan Federal Elections Commission to monitor and enforce the law.

Legislation pending in the House also limits campaign contributions and expenditures but may restrict availability of public funds to presidential candidates only. The issues will probably be resolved in a Senate-House conference. Senate party leaders, Mike Mansfield (D MT) and Hugh Scott (R PA) have been in the forefront of the fight for reform and 140 House members have cosponsored legislation similar to the Senate bill. John Gardner, chairman of Common Cause, plus prominent business and labor leaders like Henry Ford and George Meany strongly support this type of legislation.

Your signature on this petition will demonstrate to the Congress that the public wants changes in the campaign finance system NOW in time for the 1974 congressional elections and the 1976 presidential elections.

League of Women Voters of the U. S.

1730 M Street, N. W.

Washington, D. C. 20036

March 1974

TEN STEPS TO A SUCCESSFUL PETITION DRIVE

1. Board Planning
2. Organizing the Petition Committee
3. Enlisting support for the drive
4. Arranging for sites
5. Recruiting workers
6. Detailed planning for THE DAYS
7. The briefing session
8. Instructions for workers on how to get signatures
9. Collecting and counting petitions
10. Announcing the totals and delivering the petitions

* * *

1. Board Planning

A number of immediate decisions must be made by your local League board before planning can go forward:

- a. What kind of a drive is best for your League to reach the goal of ten signatures per League member -- passing petitions door-to-door, at meetings, or at selected sites like banks and shopping centers?
- b. What exact time period -- one day, two days, or two weeks -- would be best for your petition drive?
- c. Who will head up the drive -- and how large a committee should she have?
- d. How should the local League membership be informed about the drive -- through the local League Bulletin, through brief discussions at units over the telephone?
- e. What contacts should be made outside the League to enlist support for the drive -- with media, other organizations, young people?

2. Organizing the Petition Committee

The committee chairman is the key to a successful petition drive. She must plan quickly and carefully, enlist widespread support, and follow up on assignments. The local League Public Relations chairman should also play a vital role on the committee, as good public relations is essential to the drive.

- a. Recruiting committee members -- by phone and at units -- is the chairman's first priority. Involve as many League members as possible.

- b. Planning for the drive should be done as soon as possible by the whole committee:

What needs to be done? (See 3-7 below)

When should it be done? (Use the suggested general schedule for the drive as an outline for your own detailed planning.)

Who is going to do what? (Assign some specific job to each committee member.)

- c. Committee meetings should probably be held at least once a week to review plans, check progress, etc.

3. Enlisting support for the drive

The committee should contact a variety of different groups of people:

- a. League members are your best prospects to support the drive and circulate petitions. The March/April issue of THE NATIONAL VOTER will carry the petition form. This direct communication with all members, plus brief discussions at unit meetings, should help generate League member interest. Use every opportunity to remind members to save this petition form and to get signatures. Stress that every signature counts, that all should be returned.

In every possible way, highlight the short-term nature of the drive, the importance of every member participating, and the need to return all petitions, even those with 1 or 2 signatures.

Of course, not every member will collect 10 signatures, but some members, may be able to collect more than 10. Make extra petition sheets easily available. Reproduce the camera-ready copy petition form from this kit. Run a duplicate copy in your local Bulletin; if necessary, order extra copies of the petition form from the national office: At two cents a piece (no orders less than 25 pititions)

- b. Local media should be contacted immediately by the local League Public Relations chairman who should be given the public relations materials in this kit.
- c. Other organizations -- should be contacted for support in the petition drive. Start with local chapters offices. The enclosed list of national organizations that have already demonstrated active support of campaign financing reform then move on to others -- particularly those whose local chapters have worked with your League before. Ask them to alert their members to the drive and to help enlist signature gatherers.

You may wish to offer a League speaker (sample speech is included in public relations materials) to talk briefly to meetings of service clubs, PTA's, church groups, and civic clubs. Such meetings also provide a good place to distribute petitions, flyers or the August 1973 VOTER. If an organization seems particularly cooperative, you might suggest that they send a representative to your planning meetings.

- d. Young people can be invaluable to a petition drive. High school and college students are good prospective signature gatherers. Don't forget the Girl Scouts and Boy Scouts or children of League members and their friends.

4. Arranging for sites

Unless your League has decided on a door-to-door petition drive, you should arrange for a number of strategic sites where volunteers can collect signatures.

- a. Stores and shopping centers provide good locations although some owners quite understandably may not wish to have petitions passed on their property. Try to get permission for such sites. If you anticipate a refusal, enlist the support of influential community leaders to help you gain the ear of the site owner. It may also help to involve the site owner in the planning by asking his advice on ways of publicizing the drive, the best spots for workers, etc.
- b. Busy street corners often are good sites to get signatures. Check with your local government to see what the regulations are. Do you need a permit to gather signatures on public property? Are you allowed to set up signs or a table?
- c. Large gatherings of people -- meetings, sport events, or concerts, etc. are a good source of signatures. It is usually best to collect signatures at the entrance before and/or after the event.

5. Recruiting workers

Start lining up workers by phone and at unit meetings. Take a few minutes of League unit time just before the petition drive and as your plans progress. Talk briefly about the drive pointing out that it will be short and simple. Pass around a sign-up sheet for names and phone numbers.

Use a telephone squad to call all League members who are not at units and have not volunteered. Callers should use a positive approach like: "I'm Mary Jones, a member of the League. We're going to be working, nationwide, to get signatures on a petition for a comprehensive campaign financing law. Perhaps you noticed the special petition sheet in the March/April NATIONAL VOTER (and/or in the local Bulletin). Would you be willing to give two or three hours of time during ____ (the days of your local drive) to work with another person in a specified place to get signatures?" Even a person with a job may be able to volunteer a few hours in the evening or on the weekend.

If the League member agrees to help, write down the name, the phone number and any preference expressed as to time or place for gathering signatures. Also, tell the volunteer about the date, time, and place of the briefing meeting.

If the League member does not wish to cover a site, you might say: "You will receive a copy of the petition in your NATIONAL VOTER. Will you get at least 10 signatures in your neighborhood or among your friends?" Explain how the petition forms will be collected and the necessity of returning even incomplete forms. If the Leaguer has lost her petition form or if she thinks she can get more than 10 signatures, arrange for her to get extra forms.

All Leaguers contacted should be asked to recruit non-Leaguers or young people. Other cooperating organizations may also be willing to provide volunteers to work at sites or at least to circulate petitions among their friends.

6. Detailed planning for THE DAYS

- a. Match up sites and workers. Rank your sites as to potential for signatures and schedule workers first at the best sites. It is usually best to use pairs of people, in two or three hour shifts. Try to accommodate people who have expressed a preference as to time or place and then try to fill in the gaps with workers whose schedules are more flexible.
- b. Make out assignment sheets (or cards) for each worker, listing the name, time, and place to gather signatures. You may wish to hand these out at the briefing meeting or to send them out with a reminder of the briefing meeting. Also, keep your own list of all workers, phone numbers, and assignments.
- c. Check your supplies -- petitions, flyers, etc. Have you inserted a local address and/or phone number on them. What other equipment will you need-- card tables, clipboards, pens, signs, colorful badges?
- d. Decide on a central location for petitions to be turned in and equipment stored. Establish an absolutely firm deadline for turning them in -- April 22 at the latest. Arrange for an emergency phone number where workers can get information during the drive or request more supplies. Ideally, the petition supplies and emergency phone should all be at the same place.
- e. Work out a plan for delivering and picking up supplies. If your petition drive is running for several days, arrange, if possible, to collect all signed petitions at the end of each day.
- f. Plan for a briefing meeting approximately one week before the drive (See 7 below), and coordinate all plans with your Public Relations Chairman who may want pictures of the briefing session, the first petition signers, etc. to help publicize the drive. Even if your petition drive is door-to-door you will probably want to plan a briefing on the first day of the drive to generate enthusiasm and hand out supplies.

7. The briefing session

Most people have never tried to gather signatures on a petition, and the prospect may seem somewhat frightening. The briefing meeting should be used to build confidence, to discuss goals and techniques, and to answer questions.

All workers should be invited and the setting for the briefing should be informal. It may be necessary to hold two meetings -- morning and evening or afternoon and evening -- to get all the workers there. Providing coffee or a coke helps to create a friendly atmosphere.

- a. Hand out assignments and instructions for gathering signatures (if not sent before). (See 8 below.)
- b. Talk about the purpose of the drive to gain passage of a comprehensive campaign financing law. Emphasize the excitement of this nationwide effort to gather 1.1/2 million signatures, and the importance of your community's meeting its goal of _____ signatures. (This goal should be at least ten times the membership of your local League.)
- c. Discuss techniques for getting signatures (see 8 below) and give the workers a chance to try out different approaches to prospective signers. Here is a sample beginning: "We are gathering signatures all over the United States on a citizens' petition asking Congress to pass a comprehensive law regulating campaign financing."
- d. Hand out materials (petitions, flyers, Questions and Answers) so that workers will have a chance to examine them before they start collecting signatures. Remind workers that the flyers may be read by several persons besides the one who takes it. So be sure that those who sign get a flyer.

8. Instructions for workers on getting signatures

- a. Arrive on time. If you can't make it, phone so that a substitute can be provided.
- b. Bring supplies not already at the site. Nothing is more embarrassing than to have a willing signer and no pen!
- c. Where a card-table set up is possible, it is usually best to have one person at the table and one "barking." Approaching people as they walk near the table is also a good technique to attract those who might otherwise avoid the table because they don't know about the issue and don't care to appear uninformed.

If you are on foot, have a clipboard so that the signer has a firm base on which to write. Help the signer, who may not have even one hand free. Carry a supply of petitions, pens, and flyers. A big pocketbook or a shopping bag is a help.

- d. Don't argue with people you approach. Be patient about answering questions. Part of the purpose of the campaign is to create interest and provide information. But don't spend time on those who say, "I never sign petitions," "I'm not interested," "My signature won't make any difference." Say, "Thank you," and offer a flyer with "Perhaps you would like to read this," if appropriate.

Remember that the next person contacted after a refusal deserves the same pleasant approach. Answer questions to the best of your ability; if you can't answer, promise to get the answer if he will give you his name and telephone number. If he appears hesitant but not negative, offer him a flyer to read on the site to help him make up his mind.

If someone says that he cannot sign because of the Hatch Act, reply that it does not prohibit his signing this, which is a citizens' petition -- not a nominating petition.

- e. Signatures must be handwritten and should be in ink. Addresses of signers should appear in the spaces provided, written by either the signer or worker. Signers need not be registered voters, but avoid asking for signatures of persons obviously under 16 years of age.

All workers should not sign their own forms as petitioners, since no one can witness his own signature. Sign a petition carried by someone else.

- f. When your shift is completed, sign, as the official witness, the petitions you have been carrying and turn them in, even those not completely filled. Under no circumstances leave signed petitions in an unattended place, even for a few minutes. If the relief does not show up, call the emergency telephone number listed below for instructions about what to do.

- g. If, at the end of your shift, you feel you could get some more signatures in your neighborhood, take home an extra petition form. But don't forget to turn it in at the end of the drive.

- h. In case of emergency, questions, need for more supplies, etc. phone this number: _____

9. Collecting and counting petitions

- a. The day after the close of the drive, ask the original telephone committee to call those who have not yet turned in their petitions about where to take them or how the Petition Committee may get them. Check off your lists those turning in petitions; then you need call only those members who said originally they would fill their own petition forms but have not turned them in.

- b. Count all the signatures collected and report the total number to your State Board ON or BEFORE FRIDAY, APRIL 26. This is most important since your State Board must call in the total state figure to the national office almost immediately to enable us to compile a total nationwide figure before the League's National Convention. IMMEDIATELY SEND THE PETITIONS TO YOUR STATE PETITION CHAIRMAN. DO NOT SEND PETITIONS TO THE NATIONAL OFFICE.

- c. Be sure to thank everyone who worked on the drive, including property owners who provided sites.

- d. Let your Public Relations Chairman know as soon as you have counted all the signatures. She will certainly want to publicize the figures and may want a photograph as well.

10. Announcing the totals and delivering the petitions

- a. Whether you mail or bring the petitions to the STATE League Office, they should be firmly tied together, with the number of signatures in each bundle clearly marked on a separate sheet of paper on top. Also list your state city or town, and, if possible, the congressional district in which the signatures were gathered.
- b. Be sure your convention delegates know how many signatures were collected in your town.
- c. Encourage League members and others to follow up the petition drive with letters to their Congressmen reinforcing the message of the petitions that there is citizen interest throughout the United States.
- d. Total signatures for each state will be announced during the roll call of states at opening of Convention.
- e. All petitions should be in hands of State Petition Chairman by April 26.
- f. State Petition Chairman should have all petitions ready to mail to Senior Senators on May 6th unless you are otherwise notified. Also have letters ready to mail the same day to your Junior Senator giving total numbers of names collected and to each U. S. House member giving the number of signatures collected in his or her district.

League of Women Voters of the U.S.
1730 M Street, N. W.
Washington, D. C. 20036

March 1974

CAMPAIGN FINANCE PETITION CAMPAIGN: WORKING WITH THE MEDIA

Press, radio, and television should be approached early with explanatory information and encouraged to talk about the drive throughout the campaign. To do this, you should set a schedule similar to the one at the close of this paper. Every locality will have different needs and resources, but in all cases, you should make initial approaches immediately, and achieve peak coverage at the beginning and the end of the drive.

If you do not have specific contacts at your local newspapers, information should go to the Assignment Editor and the News Editor. If there is a government writer or local columnist who handles this type of story, contact him/her as well. Editorial page writers should also be contacted regarding the possibility of one or more editorials on the campaign financing petition drive. The material in the enclosed Q/A section may be used for that purpose.

For radio and television news coverage and spot announcements, get in touch with the News Director. Stations will not consider this type of campaign as public service material, but as a news feature. In attempting to get local personalities on talk shows, interviews, panels, or discussion programs, you will probably need to speak to the Program Director. (At smaller stations he may also be the News Director.) If you know who the producer is of a specific discussion show, call him in addition to the Program Director. If you do not, make a point of telling the Program Director which programs you are specifically interested in.

Explain the campaign and scheduled events very briefly, emphasizing the local tie-in and League involvement and offer to send more detailed information. When you send the information, be sure it goes to the specific person with whom you spoke. When you have a particular news item, be sure that stations receive it at the same time as newspapers, as timeliness is important to both, and competition is usually keen. The amount of written information you distribute will vary according to the amount and type of publicity you are looking for. It is better to send too little than to inundate the media with material they can't use. If they have further questions, they will get in touch with you. In most cases, a news release, flyer, suggested editorial material, and copy of the petition will be sufficient. A copy of the National Voter dealing with campaign financing may also be helpful as well as copies of the League's position on the issue. Always be sure to include a localized news release stressing the tie-in with the community and local residents.

The past years "horror" stories about campaign financing scandals can be used to explain why the League is concentrating on reform this year. The campaign emphasizes the need for citizen participation to ensure that an effective law is enacted. The fact that the petitions will be announced and sent to Congress during the May convention is an additional story dimension.

The media will be interested to know if your Congressman favors legislative recommendations supported by the League. If you know he favors them, and you have his permission, be sure to send releases on his position as well as his comments on the League's petition campaign.

As your League enlists support and cooperation from other organizations in the community for the campaign, you may wish to form an informational, ad hoc Public Relations committee to coordinate activities and contacts. Be sure to keep possible allies informed about any upcoming League meetings or other activities.

Following is a list of general areas of publicity. It is by no means complete, and you will certainly have additional ideas as to how your local media function.

PRESS:

1. News and feature stories: Cover the need for campaign financing reforms, what the League is doing, and the local people who are involved. Also cover meetings held and the petition drive itself.
2. Editorials: Encourage community awareness and participation in the petition drive.
3. Letters to the Editor: Get your friends, neighbors, acquaintances (League and non-League members alike) to write.

***RADIO AND TELEVISION:**

1. News and feature stories: same as with the Press
2. Radio spots: If your program director agrees to run a spot and asks you to prepare copy, be sure to stick precisely to the time limit he gives you. Most spots should be several seconds short of the maximum (e.g. 28 seconds for a 30-second spot). An approximate word count is:
60-sec. spot: 125-150
30-sec. spot: 75
20-sec. spot: 50
10-sec. spot: 20

Sample spots are included in this kit.

3. Editorials: Broadcasters are doing more and more editorials. Encourage the same as with the press or see if you can arrange to present a guest editorial.
4. Talk Shows, Interviews, Panels, and Discussion Programs: Attempt to get good League spokespersons on every program that might possibly cover this type of activity. Work through Program Directors or individual producers.

The following is a suggested schedule for working with the media in this highly concentrated campaign.

MARCH 25 - APRIL 7 (preparation for drive)

1. Begin right away to make initial contacts. Call all possibilities and send out basic information on the program and the schedule of events.
2. Make arrangements with Program Directors and producers of radio and television talk shows. Encourage scheduling most programs just before the drive begins.

*Be sure to contact educational radio and television stations. They are particularly interested in issues such as this, and have generally been very eager to cooperate with the League. Also, if there is an all-news radio station in your area, it is a particularly good contact since they cover public affairs of this type quite heavily.

3. Begin scheduling meetings and discussions. Send releases to the media. Call and invite them to attend.
4. Contact people and urge them to write letters to the Editor (if a lot of letters come in, it may encourage editorial writers to endorse the issue).
5. Finalize plans for radio and television talk shows. Recontact those stations from whom you have received a "maybe."
6. The beginning and end of the drive should be the time for peak coverage. Schedule as many meetings as possible and alert the media. Just before the drive begins, you might call a press briefing to give final details.

APRIL 8 - 22 (activities during drive)

1. Encourage reporters and photographers to visit petition-gathering sites which you expect to be the busiest. Alert people manning the sites to be prepared to talk to reporters informally, on tape, or on film.
2. Make final calls. Encourage last-minute radio and television interviews and as much news coverage as possible.

APRIL 23 - May 5 (following drive)

1. Publicize local League members who are going to San Francisco to convention to announce the results of your petition drive. The local delegation might hold a press conference before leaving.

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League of Women Voters of the U.S.
1730 M Street, N.W., 10th Floor
Washington, D. C. 20036

March 1974

CAMPAIGN FINANCING PETITION: SAMPLE PRESS RELEASE

The League of Women Voters of _____ today launched a petition drive in support of comprehensive campaign financing reform in 1974. The goal of the drive, announced today, is a minimum of _____ signatures.

"The people want reform -- tough and far reaching legislation such as S. 3044 which is now before the Senate. But they may not get it unless there is a genuine outpouring of grassroots opinion to counter stalling tactics and strategies already underway in Congress. Citizens must speak now, and this petition drive gives them a way to do it," said Mrs. _____ president of the _____ League.

The petition calls for a comprehensive campaign financing law including provisions for:

- combined private and public financing of all federal elections;
- limits on contributions and expenditures;
- full disclosure and enforcement.

These provisions are included in S. 3044 which has strong support in both major parties.

The _____ League is participating with more than 1300 local and state Leagues all over the country and with other national organizations seeking campaign financing reform. Signatures will be gathered between April 8 and 22. On May 6 the signatures from each state will be announced and totaled at the League's national convention in San Francisco. The petitions will be sent to each state's senior Senator. Letters tallying the number of signatures gathered among their constituents will also go to junior Senators and House members.

"We must break the link between big money and politics if we are to combat corruption, restore confidence in elected officials and have broad citizen participation in the electoral process," Mrs. _____ said.

League of Women Voters of U.S.
1730 M Street, N.W.
Washington, D. C. 20036

March 1974

CAMPAIGN FINANCING PETITION DRIVE: SAMPLE SPEECH

I am delighted to be here today to talk with you about our system of financing political campaigns and what we can do today...here...in our city (county) of _____ about this problem of campaign financing abuses which has dominated the headlines during the past year. I specifically want to tell you about the nationwide petition drive the League of Women Voters is launching to help enact a comprehensive law on campaign financing.

Campaign abuses and illegalities have been on nearly everyone's mind this past year. One of its many destructive side effects has been to re-inforce dramatically the notion that politics is a dirty business. However, dirty politics didn't begin with Watergate. It's been with us for some time. But Watergate has brought out into the open a lot of what has been taking place behind closed doors. Virtually every American citizen now knows about "fat cats" -- the heavy givers who get invited to White House dinners or find corporate or association dealings easier after a big contribution no matter what party is in power. This is not to say that government is totally riddled with corruption -- it isn't. But it's the abuses that make the headlines and re-inforce the notion that behind every governmental decision, supposedly made in the public interest, there stands a squad of special interest bagmen.

That notion and the abuses which give rise to it must be swept away. But in our fervour for cleaning up the dirtier aspects of political campaigning, we must not make it too sterile and fragile to be touched by the hands of the people. Indeed, the League believes that greater citizen participation in the political process through small contributions and other means is a key element in campaigns that are relatively free of the many "horror stories" with which we have become so familiar.

Therefore, the petition we are circulating calls for a combination of private and public financing on Presidential and Congressional elections. A bill, Senate Bill 3044, as reported by the Senate Rules Committee, provides such a combination. It is now before the Congress. We think it's extremely important that this bill's far reaching provisions not be watered down, and that it, or legislation like it, should become law. That is why we are seeking your signature and support.

There are two other key principles of the League position on campaign financing that are also part of this legislation.

First, the bill establishes limits on contributions and expenditures. After studying the issue, 93% of the Leagues responding came out loud and clear for limitations on contributions from all sources, including stringent limitations on the use of cash. Virtually the same high percentage called for ceilings on the amount that can be spent during the campaign. By-and-large, League members believe setting such limits would lessen the impact of special interests, restore public confidence in the electoral system, and improve the quality and quantity of citizen participation in politics. But such limits must be reasonable. They must not be so limited no challenger could hope to overcome the incumbent's considerable advantages. And they shall not be so high that the cost of campaigning continues to escalate.

OVER

The second principle which is embodied in this legislation concerns full disclosure and enforcement. Theodore Roosevelt was once criticized for believing that politicians should have glass pockets. Roosevelt's view, however, epitomizes the brand of openness we must have in our electoral system. League members overwhelmingly agree with that view. We favor complete disclosure of contributions before elections and the establishment of hard and fast deadlines for reporting expenditures. The League believes that enforcement of these provisions should be in an independent bipartisan elections commission with sufficient power and resources to investigate, subpoena and initiate legal action against violators. These tough laws should be accompanied by tough penalties, not mere slaps on the wrist. Legislation now in Congress provides for such disclosure and enforcement, and in our petition drive we are seeking your support for those provisions.

Another principle the League supports is already part of the law. If you have already filed your income tax, you are familiar with Item 8, the check-off for a special Presidential election campaign fund. We think the concept is a good idea, and we are delighted that more taxpayers are using it this year. We hope you did or will. People are using it, we think, for three reasons. First, IRS put it on the basic form so people could find it. Second, people want to participate in the political process, and this is a way to do it. Third, they want to cut the strings frequently attached to big money in politics.

The League is also, therefore, supporting the Senate Rules Committee proposal that would double the check-off to two dollars instead of just one and make the funds available for Congressional as well as Presidential general and primary elections.

Campaign financing reform is the major action priority of the League of Women Voters in 1974. This petition drive is part of that effort. Our nationwide goal is one and a half million signatures collected between April 8 - 22. Each local League is out gathering signatures and we here in _____ want to do more than our part. We are seeking your help as individuals and as an organization (if appropriate). We want more than a million and a half signatures. The reason is that this legislation is just not going to sail through. Strategies and tactics to stall have already been used and more are being planned. May is expected to be the month of decision. That's why it is important for the people to speak out now.

The League believes enactment of the kind of legislation I've been talking about depends heavily on a real and substantial outpouring of public opinion that says it's time to break the link between big money and politics, time to combat corruption, time to restore confidence in government, and time to ensure broad citizen participation in the political process. We are going all out.

The League is going to send that million and a half signatures to Congress as a not-so-subtle reminder that people, including thousands turned off by the present system, will tune in and participate in a political process where there's a reasonable opportunity to play a constructive role. This petition drive, we think, presents such an opportunity, and so, I urge you to join in and get those signatures--starting with your own. Thank you.

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League of Women Voters of the U.S.
1730 M Street, N.W., 10th Floor
Washington, D. C. 20036

March 1974

CAMPAIGN FINANCING PETITION: SAMPLE RADIO SPOTS

30 Seconds

The League of Women Voters of _____ is participating in a nationwide drive to collect more than a million and a half signatures from citizens who favor improvements in federal campaign financing laws. The petitions will be sent to Congress. The petition takes only a half minute to read. You may want to join other citizens who agree with you in letting Congress know what you think.

60 Seconds

If you are eligible to vote in the federal election in the fall of 1974, you may wish to sign a petition being circulated by the League of Women Voters of _____. The petition calls for improvements in our federal system of campaign financing -- improvements like full disclosure of campaign financing transactions and limits on the amount of money that can be raised and spent. The petition takes about a half minute to read. The League urges you to speak out on this vital issue. By signing the petition, you will be adding your voice to an expected one and one half million Americans from all over the country who want to tell Congress what they think should be done to make our federal election system better.

Q & A ON CAMPAIGN FINANCING

Combined private and public financing

Q. Why do we need public financing of political campaigns?

A. Public financing would take the influence of big money out of politics and help restore people's confidence in government. It would assure the principle of one man-one vote. It would open the political arena to more candidates who do not have access to private wealth.

The Senate Committee on Rules and Administration (February 1974, Report on S.3044) said: "The only way in which Congress can eliminate reliance on large private contributions and still ensure adequate presentation to the electorate of opposing viewpoints of competing candidates is through comprehensive public financing."

Q. Is there public support for public financing of elections?

A. Yes. According to the Gallup Poll in September 1973, 65% believe that Presidential and Congressional campaigns should be financed by the federal government.

Q. Is there some public financing of campaigns in effect now?

A. Yes. The 1971 Revenue Act provided that taxpayers may checkoff \$1.00 of their income tax (\$2.00 on a joint return) for the Presidential Election Campaign Fund to help finance the 1976 Presidential general election. The \$1.00 comes out of taxes owed, does not cost the taxpayer anything and does not affect any refund. The two major party candidates will be eligible to receive up to \$24 million each. If there is not enough money in the fund, they may raise the balance up to \$24 million in private contributions. Minor party candidates qualify for a lesser subsidy on the basis of their actual vote and can raise the remainder of their limit through private contributions. The Senate Rules Committee has proposed doubling the amount of the tax checkoff.

Q. Why should taxpayers pay, even indirectly, for the cost of campaigns by candidates with whom they disagree?

A. "...that kind of conflict is inherent in almost every Government expenditure. Individuals who are childless or who send their children to private schools still pay taxes to support public schools; the taxes of pacifists help support the Pentagon and those of environmentalists help build unwelcome highways. Political campaigns are not the private affair of politicians; public elections are public business..."
New York Times, March 11, 1974.

Q. How would a combined system of private and public financing work?

A. There are several different possibilities depending on the legislation finally enacted. For example: A candidate could have the option of relying entirely on public funds, entirely on private funds or he could choose any combination of the two up to a specific ceiling. Under a system of "matching grants," a candidate would have to raise a specified amount of money in small private contributions before being eligible for public funds.

Q. Are there incentives for small individual campaign contributions?

A. Yes. Citizens can now claim a partial tax credit (up to \$12.50 on a single return, \$25 on a joint return) for political contributions. The Senate Rules Committee has proposed doubling tax credits and deductions.

Q. How much support is there in the Congress for these campaign reforms?

A. A great deal. In November 1973, the U.S. Senate passed a bill which included provisions for public financing of all federal elections, limits on contributions and expenditures, full disclosure and enforcement.

The Senate Rules and Administration Committee, by a vote of 8 to 1, reported out a bill including these provisions in February 1974.

The Senate majority and minority leaders, Mike Mansfield (D-Mont) and Hugh Scott (R-Pa), have led the support for these reforms. A bipartisan group of more than 1/3 of the Senate signed a set of principles last year supporting these reforms.

In the House of Representatives, 150 members of both parties have co-sponsored similar legislation.

Q. How much would public financing cost?

A. This would depend on the system Congress adopts, and on the number of candidates choosing to take the public funds available to them.

The Senate Rules and Administration Committee estimates that the annual cost to the U.S. government would be an average of \$89,391,693. This estimate is based on its bill (S.3044), which provides for optional public funding for all federal general elections and government matching of small private contributions in primaries. The Committee report stated: "the American voter has now had ample demonstration that the modest cost per citizen of public financing for federal elections will be as wise an investment of tax dollars as a democracy can make."

The Center for Public Financing of Elections estimates that if 3 times as many primary candidates as ran in 1972 chose public funding and qualified for the maximum subsidy, the cost would be less than \$200 million per year--or about \$1.40 per adult American annually.

Q. How would public financing encourage competition in elections?

A. Incumbents have the built-in financial advantages of their positions, e.g. space, telephone, staff and mailing privileges, to say nothing of prestige and visibility. In addition they find it far easier to raise money than challengers. Public financing would provide challengers with adequate funds for competitive campaigns.

Q. How can we make sure that "frivolous" and fringe-type candidates will not take advantage of the availability of public funds?

A. Under the system of "matching grants" proposed for primary elections in the Senate Rules Committee bill, and for both primary and general elections in the Anderson-Udall bill (H.R. 7612), in order to qualify for public funds, candidates would have to demonstrate their seriousness and support by raising a threshold amount of money in small amounts from many contributors.

Q. Would public financing weaken political parties?

A. The fact is that under our present system political parties have lost much of their former strength and importance. With public financing, candidates would still need party support. Parties would still provide speakers, organize volunteers, publicize issues and turn out the vote.

The Senate Rules Committee bill (S.3044) provides that the national and state parties would each be permitted to spend 2¢ per eligible voter in campaigns. This would mean a total of about \$3.2 million for the national parties and an equal amount for all the state parties combined.

Q. Do any other countries have public financing?

A. Yes. George F. Agree of the Twentieth Century Fund said his study of public financing systems in Puerto Rico and four European countries--Finland, Norway, Sweden and West Germany--showed that they have "greatly facilitated the conduct of elections" and reduced the influence of "wealthy and special interests." The volume of private contributions did not decline, and, in fact, there was a "noticeable" enhancement of the citizens' accustomed role in their political life.

Limits on Contributions and Expenditures

Q. Why should there be limits on the size of political contributions?

A. Experience in the 1972 elections without legal limits proved beyond a doubt that large campaign contributions can and do buy influence. The Senate Rules Committee, summing up the reaction of many citizens to the 1972 campaign, said "Some donors looked upon the repeal of limitations as a license to pour hundreds of thousands, indeed millions, of dollars, into the campaigns of selected candidates...In the interest of protecting the integrity of the elective process, there is a right to exercise reasonable control over the amount of money which may be poured into an election campaign."

Q. Why should there be a ceiling on the overall amount a candidate can spend?

A. The 1972 campaign dramatically demonstrated the dangers of too much money in some political campaigns. But spending limits must be high enough to allow a candidate, particularly a challenger, to mount an effective and competitive campaign.

Full Disclosure and Enforcement

Q. How can disclosure of financial transactions in campaigns be tightened?

A. By requiring a candidate to designate a central campaign committee to coordinate, control and report all financial transactions in his or her campaign. By requiring that "cash" contributions with no written instrument such as check or money order be limited to amounts under \$100 or less. By a strong enforcement agency and heavier penalties for violations.

Q. Why isn't complete and timely public disclosure enough to control campaign financing abuses?

Strict disclosure laws are necessary to keep political campaigns honest and open but they cannot in themselves eliminate the taint of large campaign contributions.

A. The 1971 Federal Election Campaign Act relied primarily on reporting and disclosure of contributions and expenditures. The abuses and illegalities in campaign financing before and after April 7, 1972 when the Act became effective, demonstrate the failure of disclosure alone to control abuses.

Q. Why do we need an independent Federal Elections Commission?

A. To monitor and enforce the law efficiently and effectively. Under the present system, the Secretary of the Senate and the Clerk of the House, responsible for reports from Congressional Candidates, are in the position of monitoring their present and future bosses. The Comptroller General, responsible for reports from Presidential candidates, lacks enforcement powers. The Justice Department, responsible for enforcement, is in a conflict of interest position (the Attorney General works for the President) and has done little to prosecute violations.

A bipartisan independent elections commission would centralize reporting and responsibility for both monitoring and enforcement in one agency which would have powers to subpoena, bring court action, prosecute violations, and impose penalties.

League of Women Voters of the U.S.
1730 M St, NW, Washington, DC 20036

March 1974

STATEMENTS ON CAMPAIGN FINANCING

Senator James Abourezk (D-SD)

"For a per person charge of about the cost of a couple of McDonald's hamburgers the voting public can buy back into elective politics. . . I think it is a good deal."

David Adamy, political science professor, University of Wisconsin.

"American politics is locked into a tragic cycle: As long as politics is dominated by big money, the poor will not contribute; and as long as small contributions are not available in large numbers, politics will be dominated by big money. Contribution limits and public financing break this cycle. They cut off big contributions and special interest money, replacing them with untainted tax dollars. When candidates need not rely on tainted money, the general public in all economic classes is more likely to trust them and to help support campaigns with small gifts."

Representatives John B. Anderson (R-IL) and Morris K. Udall (D-AZ)

"Rather than being a grand exercise in democratic self-government, our elections are in danger of becoming a quadrennial political sweepstakes in which the electorate takes a back seat to big money, the media and the special interests."

Joseph A. Beirne, Communications Workers of America

"Failure to keep people involved would result in turning campaigns back over to money barons and thus leave our democratic system twisting slowly . . . slowly in the wind."

Lucy Wilson Benson, President, League of Women Voters of the U.S.

"Big contributors expect something for their money and most often they get it. Whether or not a favor is specifically asked for or granted, the giver knows he gave the gift, the candidate knows he got it, and his future actions may be influenced by it."

Senator Alan Cranston (D-CA)

"The effect of large contributions on the victorious candidate is sometimes blatant but usually subtle . . . If he is an honest man, he will not let big contributors determine how he is going to vote. But even the honest public official finds that he must give to the big donor's concerns his time and attention, his sympathetic ear, his willingness to intervene when he can do so legitimately."

Henry Ford, Chairman of the Board, Ford Motor Company

"I believe the time has come to establish public financing of election campaigns for federal office . . . making candidates rely entirely on raising money from private sources produces a kind of atmosphere not in the public interest . . . as long as the present system continues, the principle of one man one vote will be corrupted by the power of money."

OVER

John Gardner, Chairman of Common Cause

"A great many Americans are deeply disgusted over what they have seen of Watergate, indeed disgusted by all they have seen of corruption in politics. They have seen big money buying political favors. They have seen people scramble to positions of power, and then abuse that power. And they are sick of it."

Senator Edward M. Kennedy (D-MA)

"More than any other single cause, campaign financing is at the root of all our domestic social problems today."

Senator Mike Mansfield (D-MT)

"It's not healthy for the nation, for politics to become a sporting game of the rich."

"To insure open access to politics, I can think of no better application of public funds than, as necessary, to use them for the financing of elections so that public office will remain open to all..."

Senator Walter F. Mondale (D-MN)

"The present system isn't bad, it's rotten."

Senator Charles H. Percy (R-IL)

"One of the major problems at the heart of the Watergate scandal is big money in politics. We must revise and re-work regulations governing campaign spending, as well as reexamine proposals that would require full disclosure of personal finances of public officials."

Senator Hugh Scott (R-PA)

(on public financing) "...it is our last hope to restore full confidence in public officials and government."

League of Women Voters of the U.S.
1730 M Street, N.W.
Washington, D.C. 20036

PETITION DRIVE FOR
CAMPAIGN FINANCE LAW

March 1974

CAMPAIGN FINANCE PETITION MATERIALS
(may be ordered from the national office)

PETITION FORMS

You will receive a packet of petition forms to get started.
If you need more, you can either use the camera ready copy
included, get your own printed or order forms from LWVUS
at 2 cents a piece.

| | <u>Quantity</u> | <u>Price</u> | <u>Total</u> |
|---------|-----------------|--------------|--------------|
| 2¢ each | _____ | _____ | _____ |

PETITION FLYERS (You will receive a "starter" packet of the flyer titled
BREAK THE LINK BETWEEN BIG MONEY AND POLITICS. If you
need more, you can order from the LWVUS.)

| | <u>Quantity</u> | <u>Price</u> | <u>Total</u> |
|--|-----------------|--------------|--------------|
| Minimum order - 100 copies @ \$2.00 per hundred | _____ | _____ | _____ |

ORDER DIRECTLY FROM

Date _____

LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
1730 M Street, N.W. Washington, D.C. 20036

Bill to League of Women Voters of _____

Address _____

Person Ordering _____

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

To: Members of the Minnesota Senate

From: Elizabeth Ebbott, 1st Vice President, League of Women Voters of Minnesota

Re: Campaign Financing Legislation

March 4, 1974

HF 951 establishes campaign practices which can effectively serve candidates, their supporters and the public at large. The League of Women Voters of Minnesota recognizes the hours of careful consideration this measure is receiving. We commend the authors and the committee members who have sought and heard testimony from citizens, elected officials, former candidates and public interest groups. This diligence is reflected in the progress of this bill to your present action.

The League of Women Voters studies and observations for almost two decades have strengthened our support for certain criteria in effective campaign practices. We agree that HF 951 provides for timely disclosure and reasonable limits of contributors and expenditures, fixes the candidate's responsibility for the practices of his campaign committee, and authorizes an ethics commission for enforcement.

We are committed to public funding as well as private funding and we hope it will be possible to reinstate the tax check-off and keep the tax credit. The League is also committed to realistic limits and effective disclosures of contributions, for example the \$25-50 range for disclosure with enough information so the public can identify the contributor.

We direct your attention to the method of selecting the members of the Ethics Commission. We are aware that the option of having the members selected by the governor, with the approval of the Senate, is a possibility. This method would remove this commission from direct choice by either legislative body while retaining a means of legislative review.

Public confidence and bipartisan support are key factors in sound campaign financing legislation. In the matter of percentage allowed for political party contributions to candidates, we submit that the compromise of 40% that has been suggested may increase bipartisan support for the bill. We commend this to your consideration. This provision would broaden the base of candidate finances by permitting increased participation of political party supporters through their general contribution to their party.

We are looking forward with anticipation to the effect this bill will have on the elections in 1974 and subsequent years, as well as its influence on legislation in other states, we trust that upon discussion and deliberation you will approve of HF 951.



news release

The League of Women Voters of the United States

Contact:
Phil Argento
Public Relations
296-1770

FOR RELEASE MONDAY, MARCH 18, 1974

Washington, D.C.--The League of Women Voters of the United States today launched a national petition drive in support of comprehensive campaign financing reform in 1974. The goal of the drive, announced today, is a minimum of one and one-half million signatures.

"The people want reform--tough and far reaching legislation such as S.3044 which is now before the Senate. But they may not get it unless there is a genuine outpouring of grassroots opinion to counter stalling tactics and strategies already underway in Congress. Citizens must speak now, and this petition drive gives them a way to do it," said Lucy Wilson Benson, president of the 155,000 member organization.

The petition calls for a comprehensive campaign financing law including provisions for:

- combined private and public financing of all federal elections;
- limits on contributions and expenditures;
- full disclosure and enforcement.

More than 1300 local and state Leagues are leading the drive which will involve other national organizations seeking campaign financing reform. Signatures will be gathered between April 8 and 22. On May 6 the signatures from each state will be announced and totaled at the League's national convention in San Francisco. The petitions will be sent to each state's senior Senator. Letters tallying the number of signatures gathered among their constituents will also go to junior Senators and House members.

"We must break the link between big money and politics if we are to combat corruption, restore confidence in elected officials and have broad citizen participation in our political process," Mrs. Benson said.

S.3044, the Federal Election Campaign Act of 1974, was reported almost unanimously by the Senate Committee on Rules and Administration. The legislation has strong support in both parties.

"The bill, S.3044, embraces the League's key recommendations on political campaign financing. That's why we are going all out in this petition drive," Mrs. Benson said.

Among the bill's provisions which are consistent with the League's position are:

--a combined system of private and public financing for presidential and congressional primary and general elections.

--limits on contributions from individuals and from the candidates themselves and on the overall amount of campaign spending.

--tightening of reporting and disclosure of all financial transactions.

--an independent Federal Elections Commission.

"We hope this drive will dramatize to Congress that people turned off by the present system will tune in and participate in the political and governmental process when there's a reasonable opportunity to play a constructive role," Mrs. Benson said.

#

League of Women Voters of the U.S.
1730 M Street, N. W.
Washington, D. C. 20036

March/April 1974

APR 29 1974

Date _____

State MA

TO THE CONGRESS OF THE UNITED STATES

WE CITIZENS OF THE UNITED STATES, BELIEVING THAT THE TAINT OF LARGE CAMPAIGN CONTRIBUTIONS MUST BE REMOVED FROM OUR POLITICAL LIFE, PETITION THE CONGRESS TO ENACT A COMPREHENSIVE CAMPAIGN FINANCING LAW INCLUDING PROVISIONS FOR

☐ COMBINED PRIVATE AND PUBLIC FINANCING OF ALL FEDERAL ELECTIONS

☐ LIMITS ON CONTRIBUTIONS AND EXPENDITURES

☐ FULL DISCLOSURE AND ENFORCEMENT

The undersigned urge their U.S. Senators and Representatives to enact significant improvements in federal campaign financing legislation.

| Name | Number and Street Address | City or Town | Zip Code |
|---|--|--------------|----------|
| 1. <u>Comments -</u> | <u>We noted a hesitancy</u> | | |
| 2. <u>of some citizens to sign name to</u> | <u>petition. They may have believed in</u> | | |
| 3. <u>what petition was for, but a feeling</u> | <u>of mistrust was present. Signing their</u> | | |
| 4. <u>name was a commitment they weren't</u> | <u>ready to make. We also had one refuse</u> | | |
| 5. <u>to sign because the Communist party</u> | <u>could get money from public financing fund.</u> | | |
| 6. <u>We weren't prepared for that & still have</u> | <u>not found satisfactory answer for that.</u> | | |
| 7. <u>Many were opposed to public financing</u> | <u>because their least favorite candidate</u> | | |
| 8. <u>could get public funds they had paid</u> | <u>into. We feel we could have many</u> | | |
| 9. <u>Return to: more signatures.</u> | | | |

Person witnessing signatures

Name Dell Smieja

Address 144 S. Bedway-Will

Organization (if any) LWV 56097

Easter week was a bad
time to have petition drive
(Name/address of local LWV)

(over)

DO NOT MAIL TO NATIONAL OFFICE!

One member, Faye Bishop, got
about 140 signatures. Outstanding
in rural community. She will
be attending Nat'l conv. in S. I.

CAMPAIGN FINANCING PETITION DRIVE - report to Local Leagues

*Return to
Aileen Borg*

Thank you for your cooperation!

We told you we would let you know which League averaged the most signitures per member. THE BOUQUETS go to WELLS. This small League with only 33 members accumulated 506 signitures. This was in spite of opposition in their community and the timing of the drive inconvenient for them. One of their members, Faye Bishop, with about 140 signitures, is our star "gatherer".

The other Leagues who made the goal of at least ten signitures per member are: Brroklyn Park - 14.76, Northfield - 14.22, and Willmar - 11.64. Winona just missed with 9.84. Congratulations !

| | TOTAL | LOCAL LEAGUES | AVERAGE PER MEMBER |
|-------------------------------------|-------|---------------|--------------------|
| Albert Lea | 116 | | 2.97 |
| Alexandria | | | |
| Anoka | 215 | | 5.8 |
| Arden Hills | | | |
| Austin | 201 | | 2.42 |
| Battle Lake | | | |
| Bemidji | 375 | | 6.47 |
| Blaine | 99 | | 3.09 |
| Bloomington | 84 | | 1.21 |
| Brooklyn Center | 109 | | 2.95 |
| Brooklyn Park | 620 | | 14.76 |
| Buffalo | 137 | | 4.28 |
| Cass Lake | 71 | | 3.09 |
| Chaska | 15 | | .29 |
| Cloquet | 182 | | 6.07 |
| Columbia Heights | 73 | | 2.15 |
| Cottage Grove | 159 | | 2.84 |
| Crookston | 96 | | 2.46 |
| Crystal - New Hope | 183 | | 2.82 |
| Deephaven | | | |
| Duluth | 1089 | | 5.79 |
| Edina | 938 | | 5.27 |
| Excelsior Area (includes Deephaven) | 141 | | 1.91 |
| Fairmont | 210 | | 3.96 |
| Falcon Heights | 103 | | 2.78 |
| Fridley | 25 | | .47 |
| Golden Valley | 385 | | 4.10 |
| Granite Falls | 180 | | 5.63 |
| Hibbing | 188 | | 3.48 |
| Hutchinson | | | |
| Jackson-Sherburn | | | |
| Mahtomedi | 123 | | 2.86 |
| Mankato Area | 7 | | .12 |
| Maplewood | | | |
| Marshall | 189 | | 3.78 |
| Mid-Mesabi | 205 | | 3.01 |
| Minneapolis | 187 | | .27 |
| CMAL | 15 | | |

May 3, 1974

| | TOTAL | AVERAGE PER MEMBER |
|-----------------------------|--------|--------------------|
| Minnetonka-Eden Prairie | 347 | 2.33 |
| Moorhead | 295 | 5.9 |
| Mounds View | | |
| New Brighton | 414 | 5.24 |
| New Ulm | 50 | 1.61 |
| Northern Dakota County Area | 262 | 3.91 |
| Northfield | 924 | 14.22 |
| Owatonna | | |
| Red Wing | | |
| Richfield | 516 | 7.48 |
| Robbinsdale | 72 | 1.71 |
| Rochester | | |
| Rock County | | |
| Roseville | 286 | 3.81 |
| St. Anthony | | |
| St. Cloud Area | 125 | 1.71 |
| St. Croix Valley | | |
| St. Louis Park | 149 | 1.12 |
| St. Paul | | |
| St. Peter | 184 | 4.28 |
| Shoreview | | |
| Silver Bay | | |
| Stevens County | 477 | 7.45 |
| Wayzata Area | 86 | 2.32 |
| Wells | 506 | 15.33 |
| West Dakota County | 173 | 1.99 |
| Westonka | 92 | 2.0 |
| White Bear Lake | 587 | 5.29 |
| Willmar | 419 | 11.64 |
| Winona | 787 | 9.84 |
| Woodbury | 153 | 2.73 |
| Worthington | 173 | 5.24 |
| | 13,797 | 2.89 |

DISTRICT

- 1 - 2408
- 2 - 1781
- 3 - 3403
- 4 - 1390
- 5 - 285
- 6 - 1223
- 7 - 1314
- 8 - 1978

Total 15,248



STEVE KEEFE
SENATOR 59TH DISTRICT
323 STATE CAPITOL
ST. PAUL, MINNESOTA
PHONE 296-4190
HOME ADDRESS:
4217 GARFIELD AVENUE SOUTH
MINNEAPOLIS, MINNESOTA 55409
PHONE 824-7533

State of Minnesota
SENATE

COMMITTEES
HEALTH, WELFARE AND CORRECTIONS
LABOR AND COMMERCE
TRANSPORTATION AND GENERAL LEGISLATION

March 27, 1974

Marie Sellars
586 Olis Avenue
St. Paul, MN 55104

Dear Marie,

We finally did it!

It's hard for me to express my gratitude to you for your tireless support. We had some tough times over two years on this bill but you were always there when we needed you.

Nothing I can say, however, can mean as much as the tribute Senator Tennessen unintentionally paid you on the floor tonight.

Public interest lobbying has come of age when a legislator is afraid of the League of Women Voters. For the first time in history public interest lobbying has provided not only citizen input and expertise, but real political clout. This is a great tribute to the League of Women Voters, but especially to you.

I am sure this is only the beginning for the League of Women Voters but as far as I am concerned, if you do nothing else, the people of Minnesota owe you a great debt. I am deeply grateful to you, not just as a legislator, but as a citizen.

And on the whole, it was fun and I hope we can do it again some time.

Sincerely,

Steve

Steve Keefe
State Senator

SK/mr

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TO: Marie Sellers

FROM: Mary Ann McCoy

SUBJECT Letter from Mel Hansen

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA

ST. PAUL, MINNESOTA 55102

PHONE: 224-5445

DATE April 1, 1974

Here is the letter from Sen. Hansen to the MPLS. Tribune which I mentioned in our phone conversation on the eve of the adjournment of the Legislature and following passage of the CF Reform Law -- "for your information".

Copies also to Janet Yonehiro, Helene Borg, Liz Ebbott

State of Minnesota
SENATE

March 19, 1974

*The fact is that
of interest to the
campaign from the
it is with the facts
new*
Editor
Minneapolis Tribune
425 Portland Avenue
Minneapolis, Mn.

Dear Editor:

Tribune readers should have concrete information so that they can make up their own minds as to whether the campaign ethics and funding bill will provide partisan advantage to the DFL.

They should also be able to decide for themselves whether it is or is not a "tough" campaign finance bill as claimed by the DFL.

Instead of only one Republican proposed amendment to strengthen the bill being accepted (as reported in the Tribune article) three out of eighteen were accepted. One was offered by Senator Ashbach and others by Senator Brown and Senator O'Neill.

The bill has been sadly weakened from the much stronger position that it had when moving through most of the Committees. All of the weakening amendments were placed on the bill by DFL legislators.

There is now no effective limit on the total amounts that can be spent on an individual campaign in the final version in which the bill passed. An unlimited number of organized pressure groups or individuals with the financial means to buy control of the Legislature can now each spend 10% outside the limits.

The spending will be totally divorced from any responsibility by the candidate for the truth or fairness of the campaigning. It will, therefore, be impossible to keep the candidate from being seated if unfair campaigning deceives the voter and elects the candidate. He will, truthfully, be able to say that he had no control over the person or group that did deceive the voters.

However, he will know who is responsible for his being seated and to whom he owes a debt of gratitude. Legislators advocating this kind of no real spending limit approach cited the first amendment right of free speech. The facts are that the only issue here is not the right to speak or to write with total freedom. It is instead whether there is also a right to spend an unlimited amount of money to further the political objectives of an individual or a special interest group. The fact that we attempt to limit the candidate and his committee but not the other special interest groups is totally discriminatory and in my opinion will insure that the whole matter of limits on the campaign committee will be thrown out in the courts.

One of the amendments offered on the floor came from Senator Tennesen. This would have removed the wealthy individual from even the limit of spending only to the maximum of 10% of the amount that can be spent by each campaign committee. If that amendment had passed, one single wealthy individual could have ended up in actual control of the entire Legislature! The amendment was defeated largely on a party line vote.

Also significant is that the Republican amendment inserted in the Committee hearings to provide a \$12.50 credit to match the federal \$12.50 credit was cut to less than half by the Senator Borden amendment reducing it to \$5. This was the real hope for public financing without having bureaucrats decide how the monies are to be spent. In its initial form it would have permitted every taxpayer in Minnesota to give a total of \$25 to a political party or candidates and receive one half of this back on his federal income tax and the other half back on his state income tax. Hopefully this would have done away with the need for campaign contributions from special interest groups and would have made it possible for campaigns to be totally financed voluntarily by individuals.

In explaining his amendment Senator Borden claimed that ^{the \$12.50 credit would} it cost the State of Minnesota a maximum of \$55 million every four years. The analysis made by the Department of Revenue came up with annual estimates ranging from \$683,000 if 5% of Minnesota citizens took maximum use of this credit up to a maximum annual figure of \$3,416,702 ~~as to~~ the maximum amount that might be expected if a full 25% of Minnesota taxpayers used the tax credit to its maximum. Even that figure is vastly greater than the amount that anyone expects to result from the tax check off where incumbent legislators decide who is going to receive the money instead of individual citizens making their own personal decision on this matter.

When even the rank and file union members discover that up to \$50 of their union dues can be spent at the discretion of the union leaders, as provided in this bill, I am sure that they will also resent what has been done to them.

In summary, this bill is now an almost empty shell that will no longer accomplish its original laudible objectives. Instead, it gives preferential treatment to those special interest groups that have traditionally supported the DFL majority.

Sincerely,

Mel Hansen
State Senator

MH:we

M
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M
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TO: Marie Sellers, H. Borg,
Janet Yonehiro, L. Ebbott

FROM: Mary Ann McCoy

SUBJECT Barbara Sexton's Memo 3-27

DATE April 1, 1974

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA

ST. PAUL, MINNESOTA 55102

PHONE: 224-5445

This is "for your information" - perhaps we should
keep a running tally on what other organizations are
doing in support of CF reform -- for our info!

LEAGUE OF WOMEN VOTERS
OF
BROOKLYN CENTER
3824 58TH AVENUE NORTH
BROOKLYN CENTER, MINNESOTA 55429

MAR 28 1974
mm

Barbara Sexton, President

March 27, 1974

The Religious Committee for Integrity in Government is concentrating on 11 key congressional districts to work for public financing of congressional elections. Bill Frenzel's district is one of those chosen.

A letter writing campaign is being planned. Would you please send a representative to a meeting at

Golden Valley United Methodist Church
7600 Harold Ave. (one block south of Hwy. 55
and Winnetka Ave.) Tuesday evening,
April 2, at 8:30 p.m.

League members have the advantage of church social action groups of already having studied campaign financing. This is an effort to get public financing of congressional campaigns into the next law passed on this issue.

Barbara
Barbara Sexton
566-8650 or 537-2118

Contact: Rosemary Rockenbach
825 West Idaho
St. Paul, MN 55117
Phone: (612) 488-1810

April 3, 1974

RELEASE NOW

LETTER TO THE EDITOR

From: Mary Ann McCoy, president, League of Women Voters of Minnesota

The League of Women Voters of Minnesota, during the month of April, is participating in a national petition drive in support of comprehensive campaign financing reform in 1974.

More than 1300 local and state Leagues are leading the drive which will involve other national organizations seeking campaign financing reform.

As Lucy Wilson Benson, our national president says, "The people want reform - tough and far reaching legislation such as S. 3044 which is now before the Senate. But they may not get it unless there is a genuine outpouring of grassroots opinion to counter stalling tactics and strategies already underway in Congress. Citizens must speak now, and this petition drives gives them a way to do it."

The petition calls for a comprehensive campaign financing law including provisions for: combined private and public financing of all federal elections; limits on contributions and expenditures; and full disclosure and enforcement.

We are asking all interested Minnesota citizens to contact their local League of Women Voters or send a card or letter expressing their opinion on this matter to the state office at 555 Wabasha, St. Paul, Minnesota 55102. Signatures, cards and letters will be taken to our national convention in San Francisco on May 6. The petitions, cards and letters will then be sent to each state's senior Senator. Letters tallying the number of signatures gathered among their constituents will also go to junior Senators and House members.

We must break the link between big money and politics if we are to combat corruption, restore confidence in elected officials and have broad citizen participation in our political process.

#

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

April 9, 1974

Memo to: American Association of University Women, Minnesota Civil Liberties Union, Common Cause, Minnesota Women's Political Caucus, Joint Religious Legislative Council, Minnesota Public Interest Research Group

From: Mary Ann McCoy, State President, League of Women Voters of Minnesota
Re: Federal Campaign Financing Reform in 1974

The League of Women Voters of Minnesota, during the month of April, is participating in a national petition drive in support of comprehensive federal campaign financing reform in 1974.

S. 3044, now before the Senate, includes provisions for:
combined private and public financing of all federal elections;
limits on contributions and expenditures;
and full disclosure and enforcement.

A genuine outpouring of grassroots opinion is needed to counter strategies already underway in Congress.

We are enclosing petitions for your use and your organization may reproduce any additional forms you may need. Completed petitions, including those with one or two signatures, should be returned to the
League of Women Voters of Minnesota
555 Wabasha, Room 210
St. Paul, MN 55102

by April 26, 1974. They will then be sent to Washington along with the petitions from the other 49 states.

Citizens must speak now, and this petition drive gives them a way to do it. We realize the time is short, but we urge your cooperation.

MM/HB/hh



May 14, 1974

Dell Smieja
144 Broadway
Wells, Minnesota 56097

Dear Dell:

Congratulations to the Wells League on your fine campaign finance petition drive. According to the figures turned into the state office, your League had the largest number of signatures per member (15.33) of any League in the state.

Replying to your comments, the petition was in very general terms and is primarily intended to get the U.S. House Administration Committee to pass out some kind of a bill. Full disclosure and good enforcement should not be controversial. Limits do have opposition, especially if they are so restrictive that they might limit freedom of speech, but on the whole League members felt that election costs and the huge contributions should be limited. League does favor some public financing and this does have opposition. (It is already the law that there is the dollar tax check-off on the federal tax return and a \$12.50 maximum tax credit on federal tax returns. At the state level there is a \$100 tax deduction, \$12.50 tax credit and the dollar tax check-off for political contributions.) League has not specifically supported any one of the several funding proposals at the federal level.

The new Minnesota law on campaign financing would allow the Communist Party (or the Tax-payers Party or the John Birch Society Party), if it ran candidates in statewide races, to get public funding if:

1 - By June 1 it filed a petition of 2,000 signatures saying it was a political party and wanted to be listed on the tax return.

2 - That those filing their tax returns checked the box saying that a dollar (\$2 on a joint return) should be designated for that party. (This money would be distributed to the party's candidates after the primary election.)

Dell Smieja
May 14, 1974
page 2

3 - Whether or not the party filed as a party, if any candidate for statewide office or the state Legislature gets more than 5% of the vote in the general election, he/she will share in the funds that have been checked for general election fund on the tax returns. (An individual filing a tax return can only check off one of three options; a major political party, a minor party that has filed a petition, or the general fund.)

In writing the Minnesota law, it was felt that constitutionally minor parties had to be allowed some way of participating in public funding, if the major parties were given this privilege.

The petition did not, and really could not, get into all of the funding options that are being talked about in Congress. All that was really being said was that there was support of "combined private and public financing of all federal elections."

I hope this clarifies things a little. If you have any questions, please let me know.

Sincerely,

Elizabeth Ebbott
Vice President
League of Women Voters of Minnesota

EE:jm

cc: Ebbott, McCoy, Borg, office



League of Women Voters of the United States

1730 M STREET NW, WASHINGTON, D.C. 20036

MAY 4 1974

5/21/74

Dear Harriet -

Please excuse the informal note - but wanted to get info sent to you immediately. The hard decision-making deadline will be Jan. 31, 1975. And the Action Dept. advises that the petitions should still be sent to your senators with letters directed to your representatives advising them of your action.

Thanks for all of your
(over)

help with The Treasurers
Handbook.

Hope this info is
what you need.

Cordially,
Marie

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

June 18, 1974

The Honorable Bill Frenzel
U.S. House of Representatives
Washington, D.C. 20515

Dear Bill:

The League of Women Voters of Minnesota would like to thank you for your efforts toward moving a campaign reform bill out of the House Administration Committee.

We were pleased to see that the committee is now active and hope to see the momentum increased. For the bill to flounder and die in committee would have been a real setback.

We are concerned about the amendments that are weakening the bill, such as the loophole for deducting fund raising expenses. But it appears that getting the bill out of committee is now the most important consideration. It is to be hoped that future action will improve the bill.

We appreciate your responsiveness to the concerns of the public and join you in hoping for quick, positive action on a strong campaign financing reform bill.

Sincerely,

Mary Ann McCoy, President
LWV of Minnesota

M M/SW/km




TELEPHONE 224-5445

cc: Westlund, McCoy, Elliott, Berg, Lel

H. Borg [1974]

CITIZENS LEAGUE REPORT



**MORE
CONTRIBUTORS
AND
SMALLER
CONTRIBUTIONS**

**A New Approach to the Public Regulation of
Financing Local Political Campaigns in Minnesota**

C I T I Z E N S L E A G U E R E P O R T

MORE

CONTRIBUTORS

AND

SMALLER.

CONTRIBUTIONS

A New Approach to the Public Regulation of
Financing Local Political Campaigns in Minnesota

Prepared by
Citizens League Committee on Political Campaigns
Roger L. Hale and A. William Sands, Jr., Co-Chairmen

Approved by
Citizens League Board of Directors
December 11, 1974

Citizens League
84 South 6th Street
Minneapolis, Minnesota 55402
Telephone: 338-0791

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I N T R O D U C T I O N

The financing of campaigns continues to be a critical issue even after recent action by public bodies to open up the system.

- * The Minnesota Legislature, in 1974, began to guide campaign funding for state offices in passing the Ethics Act. From now on, candidates for state offices must disclose their receipts, contributions and financial interests. The amount of money spent and contributed is also broadly limited.

The newly created Ethics Commission, responsible for administering and enforcing the rules on campaign financing, is charged with recommending changes to an act which applies to state offices.

- * At the federal level, Congress called for disclosure in the Federal Election Campaign Act in 1971. It moved again, however, in 1974 to tighten up rules on contributions and spending and extended them to cover congressional races.

One largely untouched area where comparable steps have not been taken to control campaign financing is in local elections.

Concern about campaign funding arises because campaigns serve a vital function in the elective process . . . one in which public officials are selected and the consent of the people secured. Considerable activity before the election is indispensable to informing the voters about the upcoming election, the candidates, the issues, and in helping them make their choice. Much of this activity, however, frequently costs a considerable amount of money given the traditional way campaigns are conducted in populous districts.

Many disturbing questions arise, however, from the necessity for funds to pay for increasingly expensive literature, ads, lawn signs and for even more costly techniques such as voter profiling, direct mail, telephoning voters, and full-time workers. The availability of money, for example, may influence who will run for public office, while the amount spent can affect voter awareness of candidates, issues and the final decision about who is elected. Most importantly, a suspicion that undermines citizen confidence in the political process arises from the practice of relying on larger contributions to fund these costly campaigns.

This report does not allege there is substantial, documented corruption of the election process in Minnesota. The problem asserted, however, is the problem of public confidence in the process given the rise of certain practices in campaign fund-raising. This problem is not readily apparent to many -- particularly some who are in the system and so used to it that it seems impossible to change. Unless further significant action is taken soon in Minnesota to cover larger local campaigns and to address remaining troublesome questions, a major opportunity to increase confidence will be missed.

MAJOR IDEAS

- * This is a representative government, which means decisions are made by a few people selected by voters at elections. Support for this system and its effectiveness consequently depends on the process by which we elect people.

Campaigns for public office are as critical to the elective process as the election itself. They are the way people find out who the candidates are, where they come from, and where they may be going. Important public issues, differences between candidates, and support for each of them are discovered and aired in the campaign. These efforts before the election are central to getting people to vote and to making their choice of who should represent them.

The integrity of campaign efforts depends heavily on the way they are financed and conducted. We are now paying more attention to this, due to growing concern about the influence of larger contributions on the political process of elections and of public policymaking.

- * Public money is now appearing at the state and national level as a way of reducing reliance on larger contributions.

Congress, at the national level, has established a pool of public funds from the income tax check-off as a partial source of funding for presidential campaigns.

The Minnesota Legislature in 1974 created a similar tax check-off source of public funding for statewide and legislative races.

- * The basic policy in this country, however, is to have campaigns financed by private money which is regulated by the public.

The 1974 Minnesota Ethics Act essentially regulates private contributions by:

- Requiring timely disclosure and monitoring of contributions by a newly created Ethics Commission.
- Limiting private contributions to a percentage of limits placed on spending for statewide and legislative offices.
- Encouraging smaller private contributions of up to \$25 to state races by refunding them in combination with the federal government.

- * The 1974 Minnesota campaign finance law failed to deal with local races which are equally important. The hundreds of local races, where a lot is spent, were left untouched. These are races for important offices which make major land use, law enforcement, educational and property tax decisions. The same problems of possible influence from private contributions exist in these races, and in many cases the special-interest problem is more direct. There is

..... IN OUR REPORT

nothing to suggest the essence of the transaction is essentially any different in local races than for state or federal elections. The immediate contact between potential officeholder and contributors, however, makes this problem even more acute at the local level.

- * The problem is not spending. Campaign spending, even though a relatively small amount per voter, may be seen as excessive by many -- especially in closer races. The interest generated in these races, however, draws attention to them and encourages voter participation. Efforts to limit spending are likely to work against the challenger to the advantage of the incumbent. We concluded that, while a policy of restricting total spending has considerable appeal, it does not in itself get at the major problem of suspicion which accompanies larger contributions. We are not distressed if a candidate spends a considerable amount of money so long as it is raised from small contributions by large numbers of persons, by the political parties, or from his own resources.
- * Rather, the problem is contributions. The strategy to deal with the problem, we concluded, must be to put restraints on the amount of contributions by individuals and organizations to candidates and to broaden the base of smaller individual contributors and the role of the political party. Funds are needed for campaigning . . . and in some respects more should probably be spent in many local races, where voter turnout is frequently appallingly low. These dollars, however, should come from either large numbers of small contributors, the political parties or the candidate.
- * To secure the needed dollars, different sources must be opened up or expanded.

Self-financing of local campaigns is one legitimate and frequent source of funding. Where little is spent, this may be the largest source. Even in expensive races the use of the candidate's own funds do not raise the suspicions accompanying larger contributions by others.

Other sources -- the political party and the untapped mass of persons who have not contributed to campaigns -- must be opened up and encouraged as restrictions are placed on the size of contributions by individuals and organizations. The parties, as one source, can become a buffer between larger contributors and the candidate. Incentives must also be provided to encourage larger numbers of persons to make small contributions to the candidate and the parties.

- * Direct forms of public financing, such as the tax check-off, will be experimented with for state offices. The multitude of local races, however, makes this approach to funding a difficult and unworkable alternative to private financing for local offices. We concluded, however, that further experimentation with different forms of such financing and different approaches to conducting campaigns should be tried whenever the Metropolitan Council is made elective. These could include appropriation for media exposure of these candidates and/or for funds to match very small contributions.

F I N D I N G S

- I. *Political campaigns . . . an essential part of the elective process . . . are largely financed from a narrow base of contributors. While some campaigns have successfully raised finances from many small contributors, the trend is toward larger contributions from organizations and individuals.*

The testimony we heard and the information we gathered from the Twin Cities area in our year of inquiry is that the system as it is operating has these features:

1. Organizations and individuals primarily with economic interests are putting large amounts of money into campaigns.

A number of trade and professional associations, labor unions and persons with economic interests in public policies are actively engaged in efforts to pool funds for political purposes. Some organizations . . . a few labor unions, for example . . . obtain their funds not from voluntary contributions but from dues, assessments and membership fees. They make sizable contributions, exceeding \$50-100, to the campaigns of many candidates. These funds provide the base or even almost all of the money for many campaigns -- particularly those of incumbent public officials.

Local races tend to be financed more from large contributions by individuals with economic interests, by comparison with state races which are more heavily financed by organizations.

In recent costly local elections, organizations and individuals were a major source of funds. In Minneapolis, for example, at least \$15,710 was contributed by 23 organizations. Similarly, in St. Paul a total of \$33,660 was contributed by 54 individuals and organizations.

Contributions from organizations and individuals are a major source of funds for some candidates. For example, four of the incumbent Minneapolis aldermen who each spent approximately \$7,000 financed more than 30-40% of their campaigns from fewer than 60 contributors, with the remainder largely coming from a fund-raising activity conducted by incumbent aldermen.

The amount of single contributions to a candidate by these special interests frequently totals hundreds and even thousands of dollars. For example, in the 1973 Minneapolis election there were at least 132 contributions from individuals and 23 from organizations that exceeded \$200. Of these, 34 came from interests who contributed this amount to more than one candidate.

Records from St. Paul in 1974 show 91 contributions of over \$200 (62 individuals and 29 organizations) with 34 also contributing this amount to more than one candidate. Four individuals and two organizations made single contributions exceeding \$1,000.

One feature of most of the less costly suburban elections is the absence of contributions from trade and labor organizations. Larger contributions from individuals, however, are often present. A couple of cities -- Edina and Brooklyn Center -- and some school districts also have organizations which resemble political parties as they function to seek out candidates and finance a major portion of these campaigns. These groups -- such as the Minneapolis Committee United for Responsible Education, Edina Good Government Group, and Brooklyn Center Citizens for Better Government -- are different from political parties, as they are not recognized or guided by state law.

2. Only a small number of people fund campaigns.

The base of financing for political campaigns is narrow. In a typical suburb with 30,000 people a moderate-cost campaign (\$1,200-1,500) is funded by 40-50 persons. In one where no contribution exceeded \$50 there were 140 contributors. In Minneapolis, wards of comparable population where much more is spent (\$4,000-8,000) the total number of contributors rarely increases beyond 150 and sometimes is as few as 15-20. In the city-wide elections in Minneapolis and St. Paul, where populations are in the hundreds of thousands, the number of contributors rarely reaches 1,000.

3. More and more candidates are borrowing funds.

Loans from individuals, candidates and banks increasingly are financing a large part of the cost of some campaigns. These funds may come as seed money at the beginning of campaigns, but more frequently are turned to in the closing moments or after the election to cover deficits. The practice of borrowing funds late in a campaign further leads to a round of post-election solicitation of contributions by candidates, particularly those who were elected. This technique was used extensively for the most expensive local races in Minneapolis and St. Paul and even some suburbs. In 1974, three candidates for mayor of St. Paul had loans outstanding at the end of the election of from \$10,800-20,000 each for campaigns spending \$30,000-55,000, while three non-incumbent candidates for the city council each had loans of \$1,000-3,000. In Minneapolis, five candidates took out loans of \$1,000-2,000 and another for \$6,300. Smaller loans of \$200-400 are owed by some suburban candidates in races where less than \$1,000 is spent.

4. Public officials and candidates themselves are becoming financiers of other candidates.

A number of public officials, legislators and city councilmen make sizable contributions to various local candidates. In Minneapolis, for example, a total of \$2,430 was contributed by six legislators, four councilmen, a park commissioner and a county board member to 12 candidates. Similarly, in St. Paul elections three legislators, a school board member, and a councilman gave \$1,310 to six candidates.

Some of the funds from public officials and candidates come from money contributed to their campaigns which is transferred to other candidates. Transfers of funds can be sizable. One candidate for Minneapolis park board received \$1,000, or one-third of what his committee spent in this manner. The amount transferred by five candidates ranged from \$250-\$1,000.

5. Members of the governing body in some cities as a group are soliciting funds which mostly go to their own campaigns.

Fund raising conducted by members of a legislative body for their own campaigns is a long-established practice in Minnesota and the Congress. It is done by both the Democratic and Republican caucuses of the Senate and the House. The prime prospects for contributions to this large pool are paid lobbyists who appear before these policy bodies.

Minneapolis aldermen have often used this technique to raise a large proportion of their campaign revenues. Fund-raising events which receive many large contributions are sponsored by members of each political caucus with most of the proceeds primarily distributed to their own campaigns and secondarily to challengers of members of the opposition party. In 1973, one of the caucuses raised at least \$29,000 at a dinner and other events. Approximately \$27,000 of this total was then divided between six incumbent aldermen. The average \$4,330 received by each of them provided 53-71% of the total receipts of these candidates. The remaining \$2,000 was split, with \$1,000 contributed to a candidate for mayor, \$600 to one candidate seeking a seat on the council, and \$100 each to four others.

6. Political parties are becoming a significant source of funds for state candidates but remain a small one for local races.

The two major political parties... particularly the Republicans... actively solicit and conduct fund-raising drives to finance contributions and other activities for endorsed candidates. At the state level, although all candidates may receive some funds, more are relatively given to likely and possible winners as contrasted with sure winners or probable losers. In addition to these state funds, however, many local units of the parties also collect money for candidates in their area.

Political party contributions to state representative races costing \$4,200 range from \$400-1,000 or 10-25% of the total. By contrast, in local races the parties--particularly the DFL--are conspicuously absent or make only limited contributions of \$100-200 to candidates with districts comparable in size to those of state representatives. In a few of the more costly races in Minneapolis and St. Paul the Republican party contributed \$1,000-2,000. Although the Republican party was a significant source in recent Minneapolis elections for nine candidates, its total reported contributions were \$10,500. The DFL, by contrast, contributed only \$1,500. The DFL party was completely missing as a source of candidate funds in St. Paul. The five Republican endorsees for city council, however, received \$3,000 with one of these receiving \$2,200 of the total. In five of the bigger suburbs in 1972-73 the Republicans contributed \$2,800 to ten candidates -- a significant proportion of what was spent in these races. However, it did not contribute to any candidates in six other comparably sized cities. The suburban activity of the DFL is limited to local city clubs which contributed \$721 to eight candidates in four cities.

7. Many candidates self-finance a major portion of their campaigns.

Candidates for local offices frequently pay for much of their campaigns from their own pockets. More often this appears to be the case in lower-spending campaigns, and for non-incumbents. Recent candidates for city council in Richfield and Edina, for example, paid 25-50% of their \$1,300, \$800, and \$200 campaigns. Other candidates who have borrowed funds or who have debts outstanding after elections may also end up self-financing a major portion of their campaigns to pay off these debts or obligations.

II. *In response to concerns about campaign financing, the 1974 Legislature took two steps applying only to state offices: 1) regulated the private system of campaign finance, and 2) started to put some public funds into state candidate campaigns.*

1. The 1974 Ethics Act fundamentally calls for a 'control system' based on pre-election disclosures of contributions and spending as monitored by a newly created Ethics Commission, puts some generous limits on spending, and sets some extremely high limits on contributions.

A. Disclosure of significant contributions and spending is made in reports to the Ethics Commission by each candidate and campaign-funding organization. The Ethics Act attempts to provide information to the voters before they go to the polls by:

- 1) Creating an Ethics Commission to collect and analyze financial reports. A new, six-member Ethics Commission was set up to collect, analyze and make the financial reports of candidates and campaign organizations available to the public. They are also charged with enforcing the limits on spending and contributions and other provisions of the law relating to reports on economic interests of the candidates, lobbyist registration and reporting, and conflict of interest statements of state public officials.
- 2) Defining campaign-funding organizations and requiring they register with the Commission. All organizations that receive or spend more than \$100 for political campaigns are required to register with the Commission and to have a treasurer who is responsible for keeping complete financial accounts. Each candidate must have a single campaign organization with a designated treasurer to receive and spend funds for an individual campaign. Only the candidate or treasurer may make expenditures of more than \$20 unless another person has prior authorization in writing.
- 3) Requiring significant contributions and expenditures for state races be periodically disclosed. Single or aggregate contributions in excess of \$50 a year for legislative candidates and \$100 a year for statewide candidates must be disclosed in reports to the Ethics Commission by the treasurers of political funding organizations. The treasurers, however, must further keep a record of each contribution of \$20 or more, with the name, address, occupation or employer, and amount and date of a contribution. Any anonymous contributions of

over \$20 must be turned over to the Commission. Disclosure reports contain the total receipts and expenditures and more detailed statements identifying persons or organizations making small or cumulative contributions of more than \$50 to legislative candidates or more than \$100 to statewide candidates, and all transfers and loans of over \$100. These reports must be filed twice in an off-election year and five times during the election year.

- B. Spending by state candidates is limited to no more than the highest amounts spent in the last election.

Spending limits are set for specified offices as follows: Governor - \$600,000; Attorney-General - \$100,000; Secretary of State, Auditor and Treasurer - \$50,000; State Senators - \$15,000; and State Representatives - \$7,500. These limits are only a slight brake, as they essentially were pegged near the maximum amount spent by persons seeking these offices in the most recent election . . . almost double the average per-candidate expenditure.

- C. Contributions are not limited to a specified amount but are only slightly constrained as a percentage of the spending limits.

Contributions by individuals and organizations other than political parties are limited to 10% of the spending limit: Governor - \$60,000; Attorney General - \$10,000; Secretary of State, Auditor and Treasurer - \$5,000; State Senators - \$1,500; and State Representatives - \$750. Individuals and organizations other than the candidate's committee are further allowed to spend up to 10% of the spending limits in their own separate activities supporting or opposing a candidate. These amounts have rarely been exceeded by these contributors.

Additional emphasis and encouragement is given to contributions from political parties as they are more broadly limited to 50% of the spending limit. The partisan legislative caucuses, however, are also favorably treated as they are defined as political parties and therefore allowed to contribute up to 50% of the limits on a candidate for the House or Senate.

The effectiveness of these contribution limits on individual campaigns will vary depending on how much is actually spent. Some major contributors, for example, might well provide the bulk of financing for campaigns in which much less is spent than what is allowed.

2. The Legislature made public funds more generally available to state campaigns in two ways: by indirect tax credits to encourage people to make small contributions, and by creating a pool of funds from a \$1 check-off which would be given directly as a contribution to a campaign.

A tax credit of up to \$12.50 per person may be taken on state income taxes for contributions made to state campaigns. When coupled with the comparable federal tax credit, it means contributions of \$25 or less will be returned to the contributor and paid by the public. The estimated total of just these state reimbursable contributions, if every taxpayer took advantage of them, would amount to \$13,700,000. Even if only 20% contributed as have checked off \$1 on their taxes the amount of credits would total \$2,740,000. For persons in higher tax brackets, the \$100 deduction for political contributions was continued as an alternative to the tax credit as it exists on federal

taxes. The actual amount of such deductions and the historical public subsidy provided, however, is not known, as tax department records do not tabulate such contributions from all others.

The \$1 tax check-off fund represents the first tentative steps by the state into direct financing of campaigns. Each taxpayer may simply check on his tax form that \$1 of his taxes is to be sent to a state elections campaign fund. This is the same practice as used on the federal income tax for the presidential campaign fund. The individual may designate his \$1 be sent to a candidate of a particular political party, or to a central pool to be distributed under a legislative formula. An estimated \$1,800,000 would be collected each year and directly sent to state candidates if every taxpayer did this. Even if only the 46% who have indicated in polls they would check off \$1 on their taxes did so, this would still result in \$828,000 to be distributed for funding of campaigns.

III. *As the Legislature took action to regulate state races, however, it did not deal with existing local ones.*

1. Local races are equally important and often bigger than state ones in terms of money spent and eligible voters.

A. Important decisions are made by local public officials.

Major decisions affecting the everyday life of citizens are made by public officials elected to county boards, school districts and municipalities. They make decisions that:

- Levy all property taxes.
- Adopt budgets which create demands for state aid in education, welfare and municipal expenses.
- Adopt and enforce ordinances regulating numerous activities of persons.
- Determine and regulate the land use within a community.
- License providers of many goods and services.
- Build and maintain streets, schools and public buildings.
- Collect and dispose of waste material.
- Set policies and deliver elementary, secondary and some post-secondary educational programs.
- Deliver many public social and health services.
- Provide parks and recreation programs.

B. Many major contributors to local elections frequently have direct economic interests in local decisions.

Local candidates -- at least by comparison with state candidates -- tend to have more contact with special economic interests who directly seek and need public approval for their proposal or for contracts awarded by governing bodies. The fact that they usually benefit in an economic way also makes these persons prime prospects for solicitation by campaign organizations.

Testimony we received indicated that contributions are solicited and contributed heavily from those who do business with the city or county or are regulated by them. These contributors are associated with a number of commercial and industrial activities which have a direct interest in many decisions made by these units of government. They include: awarding and regulating activities of licenses for liquor, approval of land-use and subdivision proposals, inspection of buildings, restaurants and food stores, and the enforcement of many local and state laws. In

addition, many contributors conduct a considerable amount of business with the city or county through the award of contracts for architectural, engineering, consulting and health care services; the purchase or rental of equipment, supplies and buildings, and the employment of people who receive wages, pensions and insurance benefits.

C. Spending for some local races frequently exceeds expenditures for state campaigns, while in many others candidates spend relatively little.

The amount spent in many local elections in the Twin Cities area, particularly in the cities of Minneapolis and St. Paul and the counties of Ramsey and Hennepin, is substantial and increasing.

-- Mayoral races in Minneapolis and St. Paul are, next to the governor, the most expensive in the state. In 1973, three candidates for Minneapolis mayor spent from \$25,000-119,700 each for a total of \$185,456. In St. Paul, three candidates for mayor in 1974 spent from \$30,100-55,700 for a total of \$126,306.

-- Expenditures for many county board, central city aldermanic, and some large suburban mayoral and council races exceed the average \$4,285 spent by candidates for Twin City area state representatives or the average \$7,500 spent by state senators. Ten of the candidates running citywide for councilman in St. Paul in 1974 spent \$4,300-22,500. In Minneapolis in 1973 four candidates for citywide offices spent \$9,000-18,000, while 16 candidates for alderman spent \$4,200-10,200. Seven candidates for Hennepin County Board in 1972 spent \$6,000-20,000, while two candidates for the Ramsey County Board spent \$13,200-16,260.

Three candidates for mayor or city council of Minnetonka and St. Louis Park each spent more than \$4,000 in 1973 races. An additional nine candidates in Minnetonka, St. Louis Park, Edina, Bloomington and Roseville each spent \$2,000-4,000.

-- By contrast with these higher-cost races, all candidates for office in many cities and school districts with 20,000-30,000 people spend less than \$1,000. Frequently, campaign organizations of successful candidates in these races purchase only a few lawn signs, possibly one piece of literature, and place an ad in the local newspaper. The amount spent further declines to less than \$500 in smaller cities with populations of less than 10,000.

Spending patterns for local elections vary considerably, depending on the population of the election district, the turn-out of voters, the base of the major contributors, and the competition for offices.

1) There are a large number (255) of local offices with districts larger than those for State Representative (28,250 population). Spending by candidates in many of these is likely to escalate.

Although much less is spent in campaigns for the bulk of local races by comparison with state races -- particularly in school boards and

some cities -- their cost will increase if greater efforts are made to contact voters.

The significant differences in spending for local campaigns in part is a result of the size of election districts. These range from 960,000 population for four officials elected at-large from Hennepin County, down to fewer than 2,000 population in each of 667 municipalities and school districts which elect an estimated 3,335 officials. Voter contact and awareness of the candidates and issues is likely to cost little in these less populous districts where people are more likely to know persons running for office and door-to-door campaigning by the candidates is feasible. As the size of the district increases, however, other techniques which cost money are used, such as literature drops or mailing, lawn signs, newspaper ads, billboards, and, in very large districts, spot ads on radio and television. Most of these efforts are undertaken simply to obtain name recognition by the voters. They also have the cumulative effect of alerting voters to an upcoming election.

- 2) Elections for local offices, which are held at many different dates, attract only 15-35% of the voters, by contrast with 70% for state and national elections.

The low turnout by voters for local elections has two effects on campaigns: 1) Lower interest and awareness of elections, due in part to the various dates elections are held, tends to reduce the amount spent by candidates who limit their efforts in contacting only those who vote. 2) The low turnout also suggests the influence of large contributors is increased as there is less candidate exposure to large numbers of voters which could operate to diffuse the impact of contributions.

Local elections in contrast with state and federal are held at many different times throughout the year. A citizen is asked in some communities to select some school board members in May, city officials in March, April, June or November, and county officials when state and national officials are selected. The local elections dates for local units include:

Municipalities: Villages or statutory cities - November of odd-numbered years. Charter cities hold elections various times every two to four years with some held in March, April, June or November.

School districts: Elections are held in May of every year other than for Minneapolis, St. Paul, Duluth and South St. Paul, where school board elections are held at the same time as municipal elections.

Counties: Hold elections in November of even-numbered years with the state elections.

The election machinery must be activated for each of these elections with a separate set of election judges and polling places.

- 3) The greater level of economic activity within some communities influences the amount of funds contributed to many campaigns.

Cities with a larger or growing industrial-commercial base or with many jobs tend to have campaigns where larger contributions are made by individuals and organizations. Some suburban communities, for example, lack any significant base of local business contributors. Candidates, in these cases, may have to rely upon their own resources and those of friends and relatives, which cumulatively may result in lower amounts of funds than available in communities with many more economic activities.

- 4) The sporadic competition for local offices tends to keep down the amount spent in many elections.

Some of the essentially administrative local offices -- such as sheriff, auditor, city clerks and treasurers -- tend to infrequently attract candidates who seriously challenge the incumbents. Similarly, the competition for many local policy-making offices is sporadic, depending frequently on a number of local issues and the perceived ability of a challenger to unseat an incumbent. When major efforts are mounted to challenge an incumbent, spending will dramatically increase.

2. Local campaigns remain covered by the same law that proved inadequate for state elections.

- A. The state Fair Campaign Practices Act which governs local campaigns touches only a few aspects of campaign financing in selective local elections.

The primary effect of this act, which essentially evolved from the earlier Corrupt Practices Act, is to provide some information about total candidate receipts and spending for a number of local offices. Its major features relating to campaign financing include:

- Limited disclosure of campaign funding is required, but only of total contributions and expenditures.
- Covers candidates for county offices and those in municipalities of over 20,000 population.
- Sets some tight spending limits of one-third of the salary of an office or a minimum of \$100 where compensation is paid or a maximum of \$100 for offices that do not receive any compensation.

- B. Loopholes, omissions and lack of enforcement are characteristic of the Fair Campaign Practices Act that make it a completely inadequate law for local campaigns.

- One loophole -- the volunteer committee -- removes responsibility for campaign finance from the candidate. He is not responsible for these committees and is required to report only his own personal expenses.

- The low spending limits of the act apply only to personal spending of the candidate. They are readily exceeded by use of one or more volunteer committees, which are not limited in the amount they can spend.
- Reports on contributions and spending are not itemized, and therefore provide little detailed information about major contributors, loans, or in-kind contributions.
- School board elections and municipal elections in sizable, growing cities of over 10,000-20,000 population are not covered.
- Enforcement is difficult and minimal. Volunteer committees report only after the primary and general elections. Until they come forward, however, the auditor or clerk does not know of their existence.

IV. *At present, no one is thinking about how campaigns for any new local offices, such as the Metropolitan Council, should be conducted or financed.*

1. Election of the Metropolitan Council is a real possibility, yet nothing is necessarily settled about how campaigns for these new offices would be conducted or financed.

All of the considerable discussion about election of the Council focuses on the need or desirability of doing this. Little attention is paid, however, to some important questions about campaigns for these offices, including:

- * Would Council campaigns fit into the rules for state elections under the Ethics Act or those for existing local races under the Fair Campaign Practices Act?
- * Will the traditional ways of campaigning and funding elections be followed with candidates making all of the decisions in conducting campaigns and raising funds?
- * What different approaches might be tried from the outset in campaigns for this single level of government emerging between the state and local units?

2. Serious questions are raised in the election of the Council if the traditional pattern of conducting and financing campaigns is followed.

- A. Election districts for Metropolitan Council members, if elected, will be much larger than state senatorial and practically all local ones.

An election district may well exceed 200,000 population for Council members. This is larger than all but six statewide offices, a couple of countywide offices in Hennepin and Ramsey counties, and citywide races in Minneapolis and St. Paul.

B. The cost of conventional campaigning will be high.

The larger size of election districts with traditional campaign techniques means candidates will attempt to use the more costly approaches of radio, television and billboards and direct mailing as ways of getting their names before the voters. This suggests spending thousands of dollars and comparable efforts to raise these funds. The high cost might also result in these elections seeking out candidates who can raise money and have easily recognizable names.

C. Major economic interests will be affected by decisions of the Council.

The Council's decisions on urban development, sewers, transportation facilities, parks and housing will directly and indirectly affect many developers, builders, land owners, contractors, workers and taxpayers. Many of these interests, under the conventional system of campaign financing, are likely to make large contributions or be solicited for them.

CONCLUSIONS

- I. The trend of candidates being increasingly dependent on larger and larger contributions from relatively few individuals and organizations is of concern, and sound public policy should resist it.

1. The problem is contributions -- particularly the larger ones by individuals and organizations.

A public suspicion that undermines confidence in government surrounds large contributions to campaigns. The concern is that contributions of possibly more than \$100 are made either to receive or pay for a favor, to buy preferential access, or for insurance that the interest of a contributor will be favorably considered when decisions are made.

It makes no difference whether large contributions come from individuals or organizations other than political parties. While the self-interest of an individual may appear to be narrow in contrast with a group, contributions by organizations are usually given to further or protect the joint interests that bring and keep people together in the organizations. These groups include neighborhood associations, commercial clubs, trade associations, labor unions, and professional associations. Contributions by these groups are also of central importance as they have the capacity by pooling funds from members to make substantial contributions and thereby possibly exert considerable influence on the election or on subsequent decisions by public officials.

2. The fundamental problem is not expenditures, and the response is not spending limits.

Campaign spending is a concern of many people. This concern, however, is with many different things:

- Relatively high amount totally spent in some races.
- A dislike for some activities such as spot ads on radio and television, lawn signs, billboards, literature drops, and newspaper ads.
- The barrage of ads, signs, literature drops, etc. in the closing weeks of a campaign.

While the total amount spent in some races may be excessive....particularly when there is little opposition....in many local elections it can be argued that too little rather than too much is spent. If voter turn-out is any indication, the amount spent for many elections is insufficient to interest or attract even half of the voters.

Efforts to limit spending, we concluded, would not directly alleviate the suspicion which surrounds larger contributions. If campaigns were funded only from many small contributions, the actual amount raised and spent would be much less troublesome. At that point, spending

limits would do little more than possibly reduce voter fatigue in the closing weeks of a few campaigns. Spending limits are not likely to change the way campaigns are conducted, to increase the discussion of issues, nor to reduce significantly the solicitation or contribution of larger amounts from persons or groups with special interests.

A reduction in voter fatigue which might occur under tightly limited spending for campaigns might be useful. However, it is almost impossible to determine what amount is reasonably necessary to alert voters to an upcoming election and the candidates for office or which techniques better serve this public purpose.

Any spending limit figure will be arbitrary. It could be pegged at the highest amount spent to date as it was in the Ethics Act with later upward adjustments by incumbents as campaign costs escalate. Or, as an alternative they could be set very low, which would simply increase the advantages of name recognition and greater visibility the incumbent enjoys over a challenger. Even if the challenger raised a fair amount from small contributions, he would be precluded from spending it in his bigger task of becoming known if low limits are placed on spending.

3. Disclosure of contributions is needed, but by itself will not overcome the suspicion surrounding larger contributions.

Essential information about significant contributions and expenditures by itemized candidate disclosure to the public is a necessary first step toward public knowledge about how campaigns are financed. The disclosure step has already been taken for state offices and should be extended in comparable form to all offices in populous counties, municipalities and school districts. This means that:

- The present confusion in local campaigns over responsibility for record-keeping and disclosure between the candidate, volunteer committees and contributing organizations must be eliminated.
- Disclosure, to be meaningful, must reveal significant contributors and include itemized contributions of cash, purchase of tickets to fund-raisers, and those made in-kind of goods or compensated services.
- A simpler mechanism for handling disclosure reports should be established for local elections than what is required for state campaigns due to the overwhelming job of providing timely information to voters before they go to the polls. However, responsibility for distributing necessary forms and information to candidates, for collecting and checking the disclosure reports, and for making them available to the public, must be clearly established and centralized in a local office.

Disclosure, by itself, however, is not sufficient:

- More importantly - while disclosure might well discourage some larger contributions, it will not reduce suspicion from those that are made. The initial effect of recent voluntary disclosure may well have been to increase suspicions. This subject has certainly become more of an issue in campaigns.

- The public will not routinely receive this information in any meaningful form before the election. Few reports will be published. Even when they are, however, the voter is left to guess at the motives of larger contributors, which may or may not be related to the place of employment or occupation disclosed for contributions to state campaigns.
- Most of the information about contributions will come from the opposing candidates. In close races that receive a number of large contributions, however, the voter will be left in a quandary by the charges and counter charges.
- Last minute and post-election contributions cannot be appraised by voters since they will not know of them before they go to the polls.

II. Efforts should be made to diffuse the impact of larger campaign contributions and to broaden the base of contributors.

1. First, certain defensive measures must be taken:

A. Limit contributions to candidates by individuals and organizations.

The suspicion surrounding larger contributions can best be alleviated by tightly limiting the amount of a contribution given directly to candidates.

This limited amount should apply to contributions made by individuals or organizations other than political parties. Organizations such as trade associations or labor unions may derive their funds from small contributions or the dues of members, but when they direct a sizable contribution to a candidate it has an equal or greater ability to exert influence on the candidate than one made by an individual.

Organizations in the public arena largely operate to protect or encourage decisions which primarily advance their interests and those of their members. In the event such organizations choose to continue heavily funding campaigns, they should be able to do so by directing these contributions to the political parties. They would continue to be able to publicize their views about various issues and encourage their members to individually work for and contribute to individual candidates.

B. Place restraints on contributions to candidates by the political caucuses of governing bodies.

State legislators and city councils that are organized along partisan political lines recognize the political party affiliation of members. Yet the political party is frequently a secondary source of campaign funds behind contributions collected and distributed by the legislative caucuses.

Too often the sources of contributions to these caucuses are the lobbyists who appear before the legislative bodies. Such contributions are made either because the lobbyist believes it is in his self-interest to receive a hearing or favorable consideration, or because he is solicited directly by the caucus and feels he cannot turn down their request.

We concluded this troublesome relationship can be alleviated by limiting the contribution a caucus can make to a candidate to no more than that of any other organization. If there is a surplus in any caucus campaign fund, it can be transferred to the appropriate political party.

C. Place restraints on a few specific funding practices: transfers, borrowing of funds, and the use of membership fees, dues and assessments by organizations in raising funds for political contributions.

1) Borrowing funds late in a campaign encourages large post-election contributions and should be restrained.

The borrowing of funds, which has become a significant fund-raising mechanism for costly elections, may be necessary early in a campaign. However, this practice poses many troublesome questions when employed late in a campaign to fund last-minute spending or to cover obligations incurred in anticipation of contributions. Larger loans taken out in the last weeks of a campaign are likely to require large contributions after the candidate is elected, either from the loan guarantors or from individual contributors.

Post-election contributions to retire a debt potentially may carry greater weight with elected officials, as they come at a time when they owe something to others. Attempts to prohibit borrowing, however, would directly interfere in the funding of campaigns and deny this source of money early in a campaign when it may be necessary and could reasonably be repaid with subsequent contributions.

A better way to discourage any possible abuses from large contributions to retire debts is to require continuous reporting of such debts and ensure that the limitation on personal contributions extends beyond the election through almost all of the term of office the candidate serves or would have served. The need for such contributions would be further reduced by broadly limiting the amount of loans outstanding from financial institutions and by tightly limiting loans from individuals prior to the election.

2) The transfer of funds between candidates siphons contributions from one candidate to another without consent of the contributor, and should be limited.

The transfer of funds in the form of contributions from one candidate's campaign to another is a limited practice which is

troublesome. It permits a candidate to use funds contributed by an individual or organization to his campaign for another one which the original contributor may not have supported. It also permits a candidate who has sufficient resources to assist another and thereby aid in electing someone who may be somewhat indebted to the contributing candidate as a fellow member of a public body or as chief executive. The possible abuses resulting from such transfers can be alleviated if the amount of the transfer is disclosed and limited to what an individual may contribute.

- 3) Solicitation of funds by officeholders between elections provides incumbent public officials with leverage for contributions that comes from their positions, and should be discouraged.

Efforts by incumbent public officials to obtain funds between campaigns appears to be only a limited practice for most offices. Whenever it is done, however, it is for the purpose of either paying off debts incurred in the past campaign, to build a fund for the next one, or to maintain or increase political support while in office.

Such activities should be discouraged, as campaigns deal with candidates -- not public officials. When this practice is employed, it is likely to result in solicitation from larger, interested contributors and provide the incumbent with decided advantages over a challenger beyond those resulting from public exposure while in office. Limiting the amount of a contribution from any single individual or organization to a period covering almost all of the term of office would serve to limit this practice.

- 4) The practice of pooling funds by some organizations -- not from voluntary contributions but by using membership fees, dues, or assessments -- limits the choice people have in making political contributions and should be controlled.

Where membership in some organizations is required for a job by labor unions or employers, the use of dues, fees or assessments in effect compels payment of political contributions by members. This undesirable practice is further compounded when these involuntary funds are distributed not by the vote of members but by an executive committee one step removed from them. This method of indirectly choosing whom to support financially for elections deprives members of the choice they otherwise would have individually.

Part of the difficulty with the use of such funds would be reduced as funds from such organizations are limited. Further, however, requiring a vote of members in the distribution of political money derived from dues would bring these decisions closer to the members.

2, Since campaigns do require money, steps must be taken to open up or permit alternative sources.

- A. There should not be any limits on contributions to a political party, but the party should be limited in its contributions to candidates to a higher amount than those available to individuals and all other organizations.

Political parties are unique organizations in the political process. Membership is open to all who desire to participate as contributors, precinct delegates and workers; and some of their activities, such as precinct caucuses, are regulated by law. Their primary purpose as distinguished from other organizations is to seek out candidates, to help get them elected, and to adopt platforms and issue statements on public issues. Funds received by them come from voluntary contributions and are distributed by a committee in the party.

Financial contributions by political parties when made to local campaigns sometimes come early as seed money or can be sufficiently anticipated to permit early spending by candidates. As such, these funds are extremely important in encouraging persons to run for office. Political parties may also assist candidates in districts with lower-income constituencies with funding their campaigns. Other contributions in the form of sample ballots, workers and advice are also important to the political process and to voter awareness.

Political parties should not be limited in the amount they may receive. They can operate as a buffer for large contributions so long as the party committee that distributes funds is representative of the members and they are free to make contributions to whomever they select. This means contributions to the party cannot be earmarked.

Their unique function also suggests the parties not be limited in the amount they can contribute to candidates. However, although they are open to any interested voter, participation in them is relatively low. This condition suggests some limit be placed on the amount they can contribute to avoid the possibility of candidates becoming indebted to a political party that provides nearly all of the funds of a campaign yet is made up of only a handful of people. Such a limit, which should be much higher than those applying to other organizations, is also desirable to encourage parties to fund a number of campaigns rather than to concentrate nearly all of their resources on a few.

More participation in the political parties by persons interested in local elections, we believe, would be achieved if caucuses to elect delegates for endorsing conventions were held just months before these elections.

Formal endorsement of candidates by conventions made up of delegates elected at precinct caucuses is done for some local offices in Minneapolis, St. Paul, some suburban municipalities, and Hennepin and Ramsey Counties. The delegates who attend these local endorsing conventions, however, are usually elected at the caucuses held in the state general election year, 1½ years before, when the focus is on state and national candidates and issues. This practice deprives interested voters from active participation in the endorsement process before local elections when different issues and candidates are seeking support.

- B. Self-financing of campaigns by candidates. . .a significant source of funds for lower-cost campaigns. . .should be permitted within higher limits than those available to individuals or organizations.

While candidates should not be expected to fund their own campaigns, many of them do put their own resources into them. . .especially where only a few hundred dollars are spent. Others may have to self-finance any debts left after a campaign. This practice does not raise the same concerns as larger contributions from others, as they cannot influence the candidate.

The only question about self-financing arises in costly campaigns where self-financing could give persons with considerable wealth an advantage over a less affluent candidate. This concern suggests there should be some limit on the candidate's personal contribution but one which is higher than on individuals and organizations.

- C. Incentives rather than direct public funding need to be developed that will attract larger numbers of small contributors and larger numbers of voters to the polls.

Direct public funding of local elections from a tax check-off or appropriation might appear at first glance to be a way out of many problems with the way campaigns are now financed.

We concluded, however, that the complexities of devising any formula for allocating funds to the multiplicity of local campaigns make the more direct public funding approach unworkable. There are many more local offices than state ones. The responsibility and function of these offices vary considerably, as do the size of election districts and spending patterns. These differences make the task of distributing a pool of state funds extremely complex and difficult. Further, there is some doubt that public money should be put directly into a campaign when decisions about how it is spent are left entirely to the candidate.

- 1) Tax credits will provide a financial incentive for people to make smaller contributions and should be allowed for contributions to local candidates.

The state tax credit should operate to encourage people to make contributions to state candidates in the same way the federal credit does for contributions to any candidates for public office. Restricting the state tax credit to only contributions for state candidates is not reasonable and should be removed. This step would go far in encouraging people to contribute to local candidates. The requirement for attaching contribution receipts to state tax returns could discourage some from claiming a credit. It adds a burden that is unnecessary and otherwise not required for numerous deductions.

- 2) Payroll savings plans for political contributions should be permitted and encouraged.

Another incentive to encourage and assist people in making contributions would be to make it possible for them at their place of employment to contribute to candidates and parties of their choice. Such payroll savings plans, however, should insure that any savings would be held by a third party not under the control of the employer and with the contributor solely able to decide who will receive any funds. Arrangements need to provide that employees may instruct the savings plan operator to distribute specified amounts to candidates or political parties or to return it to the employee.

- 3) The obstacles of multiple local election dates should be eliminated to increase voter and potential contributor participation in local elections.

Voter turnout for local elections is poor to appalling. The large number of local units of government and many different election dates for these offices contribute to the falloff in voter interest and participation.

One of the functions of campaign spending is to alert voters to upcoming elections. However, the scattering of days for elections also means the impact of campaign spending is diffused. In places such as Minneapolis and St. Paul, where school and city elections are held at the same time, voter turnout is substantially higher than where they are held separately.

Focusing attention on county, school and city races by holding all local elections on the same date would be a major step toward increasing voter and contributor participation. It would also reduce the total expenditures for administering various elections. This step would require a change in the date and terms of office of almost all offices for school districts, and some municipalities. Most school boards are elected at one time, but this is in May of every year for three-year terms. Municipalities now have the option of moving to a uniform election day in November of the odd-numbered year, and many have done so. County offices are now elected uniformly for four-year terms in the state general election. However, these candidates must compete for contributions and support with the more prominent statewide and legislative candidates.

- 4) The use of private corporate facilities for campaign meetings should be permitted.

The use of rooms in buildings owned by corporations presently is a questionable activity, as corporations are prohibited from making political contributions. This overall prohibition should not be lifted. However, the use of corporate rooms, if made available to all candidates for a particular office, would bring the candidates and discussion of issues closer to where many people live or work. This exposure could well increase both voter interest and possible contributions from many people who would have another opportunity for direct contact with the candidates.

III. *The Legislature should move on from dealing with state races to local ones in 1975.*

1. Funding patterns for recent local races in many populous cities, counties and school districts present most of the same problems as state races.

- Decisions by local public officials affect many people with major economic interests . . . possibly even more directly than state legislative ones. These range from land uses to liquor licenses, public improvement contracts, public employee agreements, assessments of property and property taxes.
- The base of contributors to local elections is small . . . possibly even narrower than for state races. Campaigns funded by as few as 50-100 people are typical. Some of these are individuals and organizations who make sizable contributions, while others are legislative caucuses in Minneapolis, and candidates or public officials. Some candidates borrowed funds largely left to be repaid after elections.
- The amounts spent for some local races are large . . . often exceeding the spending for state races in election districts of comparable size. Many Minneapolis aldermanic candidates and a few candidates in suburbs of equal size to state house districts, for example, recently spent as much or more than the \$4,200 average spent for house races in the Twin Cities area. Candidates in other local contests with larger election districts, such as the cities of St. Paul and Minneapolis and Hennepin and Ramsey Counties, frequently spent \$10,000-20,000 and even more . . . amounts equaled at the state level only by a few candidates for the senate and for statewide office.
- Voter turnout is low for most local elections that are held on many different dates . . . particularly those of school districts and many cities. The low level of general participation is a concern in itself but further permits the influence from contributions to go unnoticed and unquestioned.

2. The large size of hundreds of local districts, coupled with important decisions made by local officials, suggests spending for many presently low-cost campaigns will increase in the future and further raise concerns about their funding.

- Spending may substantially increase for many campaigns in the 255 local offices that have election districts as large or larger than state representatives. Increases are also possible for the approximately 413 additional offices in frequently growing districts with 10,000-28,500 population. The dramatic increases in spending this year for Hennepin County attorney and sheriff and for recent school district races is some indication of this trend.
- Increased numbers of large contributions will be made by individuals and organizations who are starting to pool funds or substantially increase existing ones. This trend, which is obvious at the national and state levels with the milk producers and teachers, will likely begin to appear soon in contributions to local candidates.

3. The control system on local campaigns is inadequate as a basis of regulation for these campaigns in the future.

The 1974 Legislature in passing the Ethics Act began to take hold of state races. However, they left local ones under the inadequate law which previously had regulated state campaigns. This law . . . the Fair Campaign Practices Act . . . essentially requires only minimal information about total receipts and expenditures by candidates in counties and cities of over 20,000 population.

Loopholes and omissions of this law effectively:

- Remove responsibility for campaign financing from candidates.
- Result in no disclosure of major contributors.
- Do not limit contributions.
- Set spending limits which are readily exceeded by the volunteer committee.
- Do not cover school board elections or those in cities of less than 20,000 population.
- Result in no enforcement. Many apparent violations can be easily avoided while harsh penalties further discourage enforcement efforts.

- IV. *Election of persons to a single new unit of government, such as the Metropolitan Council, presents a number of campaign problems and a real opportunity to start from scratch in trying fundamentally different ways of conducting and funding campaigns.*

The Metropolitan Council has been an innovator in handling many regional issues such as sewers and parks. In itself the Council is an original approach to a regional decision-making organization. The possibility of electing members presents another opportunity to explore and test new approaches to conducting and financing part or all of the campaigns and to addressing problems associated with existing campaigns.

1. Other approaches than traditional candidate literature and advertising need to be tried to increase the identification and discussion of issues before elections.

The traditional ways of conducting campaigns are directed primarily to candidate name recognition. This interest of candidates appears to be relatively well-served in many well-funded campaigns. In addition, however, these techniques help alert voters to the election and help them know who is running and who may support them. These efforts are directed by each candidate and their campaign managers. However, there are too few opportunities for voters to learn about what issues are important and how candidates approach them . . . particularly in populous election districts such as those possible for the Council. Door-to-door candidate contact, candidate forums, interviews, newspaper coverage, public media interviews and newspaper voter's guides are largely the only ways this is done. Usually they are undertaken by people other than the candidate.

While helpful, many of these public educational efforts are currently limited in their effectiveness. They cannot be expected at present levels to provide any significant increase of voter information for any new races. In large election districts such as those for the Metropolitan Council, candidates will find it extremely difficult to go door to door. Candidate forums where opposing candidates appear will be helpful, but, because of the inconvenience to voters, are not likely to be heavily attended. Public media interviews of opposing candidates would help, but the cost of public service interviews on radio and television for the large number of Council districts would probably result in very limited, if any, such activity. Similarly, although a newspaper's voter's guide is an aid, it does not reach all of the voters. Additional alternative ways of conducting campaigns which entirely or largely use a public information approach can and should be explored for Metropolitan Council campaigns.

2. Rather than letting campaigns rely basically on private contributions under the existing or new local rules we propose any new elections for the Metropolitan Council offer the opportunity to experiment with various forms of direct public funding.

Some of the possible changes in conducting campaigns which would increase voter information and discussion of issues serve the public interest in campaigns. They might be partially financed by the private sector but are also appropriate for direct public funding. Similarly, apart from the tax credit, other alternatives that use public funds might be tried to further stimulate funding of elections exclusively from small contributions.

RECOMMENDATIONS

- I. We recommend the 1975 Minnesota Legislature adopt a Local Campaign Finance Act applying to candidates for office in all counties, municipalities and school districts exceeding 10,000 population.

The most serious problems with the way campaigns are financed generally arise in races in the most populous election districts. The state law would not apply to the great number of elections held in local units of government with smaller populations but only to candidates in the 76 counties, 55 municipalities and 75 school districts exceeding 10,000 population.

We also urge the governing bodies of local units not covered by the state law, however, to adopt resolutions or ordinances incorporating the principles of the state law to guide campaign financing practices for their elections.

We believe the goal of public efforts should be to have a system of candidate campaign financing broadly based on large numbers of small contributions and those of political parties.

1. Limits of \$100 should be placed on contributions to the candidate by individuals other than the candidate and all organizations other than the political party. Certain funding practices that encourage or permit large contributions should also be restrained.

To increase public confidence in the political process and to reduce suspicions associated with larger contributions, we specifically recommend the following restraints and limits:

- A. Individuals -- Contributions from individuals, other than the candidate, to the single campaign committee should be limited to not more than \$100 for the term of office of the candidate, beginning six months before the election scheduled for this office until six months before the next regular election. These limits would apply to a special election held to fill a vacancy by covering the period from six months before the special election through the unexpired term until six months before the next regular election. Candidates, however, would not be subject to these limitations.
- B. Organizations -- All organizations making contributions to campaigns, other than political parties, should be limited to \$100 for the same period as individuals, provided these funds are voluntarily contributed by members for the express purpose of campaign funding.

Organizations include but are not limited to: trade associations, commercial clubs, labor unions, and legislative caucuses. This limitation, however, is not intended to apply to joint fund-raisers sponsored for the purpose of joint fund-raising by two or more responsible candidate campaign committees where proceeds to a candidate may exceed \$100. However, the contributions of organizations and individuals to them should be disclosed and not exceed totally the \$100 limit to a candidate.

Any organizations which use funds derived from other than voluntary contributions by members -- such as from membership fees, assessments or dues -- would be able to contribute these funds to candidates within the \$100 limit only if their members are notified and given an opportunity to participate by voting on their distribution.

- C. Transfers -- The direct transfer of funds from one candidate committee to another should be prohibited. Such transfers, however, could be made as a non-earmarked contribution to a political party or as an expense for payment of joint campaign purchases whose costs are vouchered and equally divided between two or more candidate committees. These joint purchases might include lawn signs, advertisements, offices or equipment.
 - D. Loans from other than financial institutions -- The amount of loans outstanding and their terms should be continuously reported until they are repaid or contributed within the limits on individuals. At the last report before the election, loans from individuals or organizations other than financial institutions should not exceed \$100. Any loans remaining after the election would be chargeable as contributions which continued with others may not exceed \$100 totally six months before the next regular election for this office.
 - E. Earmarking of funds -- Contributions made to any organization including political parties which are designated for a particular candidate would be prohibited and may not be accepted by the organization or by the candidate campaign committee.
2. Political parties and candidates within broad limits should have a larger role in financing campaigns as an alternative to substantial contributions by individuals and organizations.

To provide money needed early in campaigns and to buffer the impact of larger contributions, we specifically recommend the following:

- A. Political parties -- There should be no limits on the amount of contributions to a political party. However, the combined contributions by all units of a political party (state, county, senatorial districts and cities) to each campaign committee of endorsed candidates should be limited to an amount equal to \$.05 times the decennial census population of the election district. Where a candidate is not endorsed, political parties should be limited to \$100, the same amount as organizations.

We further suggest the political parties provide voters with the opportunity to participate in the endorsing process for local elections by holding precinct caucuses annually . . . perhaps not more than six months before the elections.

- B. Self-financing by candidates -- Candidates would be broadly limited in the amounts they can contribute from their own personal resources to the same amount as political parties - \$.05 per capita in their district.

- C. Loans from financial institutions -- The amount of debts outstanding to financial institutions seven days before the election should not exceed an amount equal to \$.05 times the population of the election district. Any such loans must further be continuously reported and repaid within the contribution limits on individuals, organizations and candidates six months before the next regular election for this office. If the outstanding loan is not repaid by this time it would be considered a contribution of the guarantors or the candidate and a violation if the amount owing each exceeds their contribution limit.

We recommend these limitations and restraints be enforced by the county auditor and county attorney, with violations chargeable as a gross misdemeanor.

Enforcement. Contributions in excess of the limitations would be illegal and may not be accepted by any candidate campaign committee. The treasurer of such committee or organization making campaign contributions should sign a statement accompanying the disclosure report that no one, other than the candidate or political party where a candidate is endorsed to the best of his knowledge has made a contribution exceeding \$100.

The county auditor, in examining the disclosure reports for a campaign committee, should ascertain whether there are any excessive contributions and, if so, notify the county attorney. Complaints about violations of these limitations may also be made by individuals to the county attorney and the State Ethics Commission. The Commission should also each year selectively audit the work of the county auditor and the reports of candidates for the same office where more than \$1,000 is spent.

Penalties. Violations of these limits would be a gross misdemeanor. These violations include:

- Persons, including the candidate, who knowingly make or receive contributions exceeding the limitations.
- Contributors who falsify the nature or source of their contributions.
- Treasurers of campaign organizations who knowingly accept contributions exceeding the limits or do not repay loans of more than \$100 to individuals before the election.
- Persons engaged in a conspiracy to evade the limitations. These include borrowing funds before the election without intent to repay them, by earmarking funds through an organization, by creating organizations for the purpose of making contributions beyond the limits, or charging for materials or services below market rate to make an excessive contribution.

The amount of a contribution in excess of limitations should not be returned to the contributor, but be turned over to the county general fund.

3. Disclosure of all contributions over \$50 in reports itemizing receipts and expenditures should be required of all candidates and contributing organizations.

To provide the public with information on how campaigns are financed and the source of major contributions, we recommend:

- A. The candidate and campaign treasurer be responsible for records and accounting procedures.

Candidates for local public office should set up a single campaign committee and designate a treasurer responsible for maintaining records on all receipts and expenditures and for providing information to be disclosed. The candidate may be the treasurer. Expenditures may be made only by the candidate, treasurer, or a person who has received prior written authorization from either of them. All expenditures exceeding \$20 must be made by check from a single depository designated and reported by the candidate's campaign committee.

Organizations that contribute to political campaigns would also designate a treasurer, maintain records of their receipts and expenditures, and provide information to be disclosed.

- B. Contributions exceeding \$20 should be recorded.

All cash contributions, including the sale of tickets to fund-raisers, exceeding \$20 must be made by check or money order, and recorded by the treasurer with the date, amount, name and address of the contributor. Contributions in-kind with a market value in excess of \$20 must also be recorded. These include contributions of goods or personal services when a person working in a campaign is on the payroll of an organization. They do not include, however, the services of unpaid volunteers.

- C. Contributions from all sources and expenditures of over \$50 should be disclosed.

Reports disclosing the total receipts and expenditures and an itemized list of all single or cumulative dollar and in-kind contributions, loans - their terms and guarantors - transfers, or expenditures exceeding \$50 per person should be filed by the candidate campaign committee organization with the county auditor. The itemized list would contain the name, address, amount and date of contributions and expenditures in alphabetical order. A copy should also be sent to the clerk of the municipality or school district, as appropriate, in which the candidate has filed for election. These reports should be filed five days before the election and include contributions and spending for the period up to seven days before the election; 30 days after the primary and general elections; and every three months thereafter until all debts and outstanding obligations are paid. Reports would not have to be notarized.

- D. Administration and enforcement of reporting and disclosure should rest primarily with the county auditor and county attorney.

The county auditor would be charged with ensuring campaign reports are filed, complete and available to the public within 48 hours after they

are filed. In the event a candidate or organization making political contributions has not filed a report when due, the auditor would immediately notify them. If the candidate or contributing organization does not respond within ten days, the auditor should publish the names of delinquent candidates and organizations monthly in a newspaper of general circulation and notify the county attorney to commence legal proceedings.

The State Ethics Commission could perform a valuable service by preparing the forms and instructions to be used in making reports and by providing training sessions and assistance to candidates and campaign treasurers on procedures for recordkeeping.

Penalties - Non-compliance by the treasurer or a knowing candidate with the reporting, disclosure and recordkeeping requirements would be a misdemeanor, and falsifying a report would be a gross misdemeanor.

II. We recommend the 1975 Legislature create a number of incentives to encourage voter participation in local elections and the funding of these campaigns.

Public direction to control various campaign funding arrangements, while necessary, may not be sufficient in itself to remake the system by building a large base of small contributors. Incentives to attract smaller contributions and increased participation are also needed. Specifically, we recommend:

1. The state tax credit should be extended to cover contributions to local campaigns.

Contributions made to local campaigns should be made eligible for the \$12.50 state tax credit as they are under the federal credit. This step will not result in any greater loss of total revenue to the state than previously, as we do not propose the amount of the credit be increased. Since the actual loss and amount of contributions claimed on tax returns is presently unknown, we recommend the State Revenue Department be directed to report on the total amount of funds claimed each year by taxpayers for political contributions whether by deductions or by tax credit, and the type of office (federal, state or local) to which they were contributed.

Procedures for claiming contributions as a tax credit should not require an accompanying receipt but instead be simplified and treated in the same manner as the federal tax credit.

2. Political parties, schools, and the public media should undertake educational programs alerting people to the need for contributions and the availability of the tax credit.

Substantial efforts to inform voters about how campaigns are financed, the changes in rules guiding this activity, and the desirability of increasing the number of small contributions are needed and should help to increase confidence in the political process. Publicity about the tax credit in the months preceding elections and before filing of tax returns would direct the taxpayer to this painless form of contributing.

3. Employers should be allowed and encouraged to establish political contribution payroll savings plans.

These plans have been a proven way for employees to set aside a small amount of money each payday for savings or contributions. Such plans, however, must be maintained by someone other than the employer with control and knowledge about the use of the funds resting only with the employee. The proceeds should be distributed at the direction of an employee, either to specified candidates, political parties, or returned to the contributor. The funds should also be registered with the State Ethics Commission.

4. A statewide uniform local election day in November of the odd-numbered years should be set for school board, county and municipal elections.

Voter awareness and participation in local elections would be increased by having a single local election day. This step would require terms of office for local officials be an even number of years. Such elections would be conducted in the same manner as state elections, with the county auditor handling the filings of candidates, ballot preparation and canvassing. Voting precincts and selection of election judges would be determined by the municipalities and by the counties in unincorporated areas. Provisions would be made in polling places for the use of separate voting machines or ballots by persons who may live in different school districts.

5. Corporations should be permitted and encouraged to make their facilities available for open candidate forums on a non-restrictive basis.

Use of these facilities will create another place and opportunity for voters to know the candidates. Such meetings, however, must be open to the public with invitations sent to all candidates seeking a particular office.

6. Communications media should be strongly encouraged to give more systematic coverage to candidates and campaign issues.

Techniques which could implement this recommendation might include: Coverage by a "Campaign Week in Review" plus articles and broadcasts which would involve both candidate statements on issues and reporter coverage. In addition, public broadcasting stations could program more extensively around campaign issues and candidates in the time before elections.

III. We recommend the Metropolitan Council and the Legislature come up with a plan for conducting and financing the election of Council members in the next year.

The election of the Metropolitan Council provides an opportunity to test out a number of ways to improve voter information and discussion of issues in larger election districts. The Council ought to seize this and move to design a new system.

1. New approaches to conducting campaigns should be considered when a new set of local officers for the region are elected.

We suggest the Council consider at least the following alternatives as they draft proposals to the Legislature:

- A. A brochure with candidate biographies and statements be sent to voters-- Candidates would be invited to submit a brief biography, a statement of their personal finances similar to the one now filed with the State Ethics Commission, a short statement of the issues they believe are important and their views on them. These statements would then be put together in a brochure and distributed to each household.
 - B. Reservation of time on educational and cable television for Council candidate discussion -- The publicly subsidized educational television station or cable television companies might be requested or directed to set aside blocks of public interest time at prime viewing hours for issue discussions between candidates for the Council.
 - C. Purchase of commercial television and radio time for opposing candidate discussions by individuals and organizations -- Individuals and organizations, including corporations, might be permitted and encouraged to purchase blocks of time in excess of a few minutes on radio and/or television for a discussion of regional issues by candidates.
2. The probable high cost and traditional funding of conventional campaigns in large election districts suggests the Council evaluate some approaches to direct public funding of these elections.

A couple of alternative arrangements which would more directly employ public funds should be explored. The objective of these, however, should be either to reduce the cost of campaigning to the candidate and/or to increase the incentives for smaller contributions. The alternatives include:

- A. Appropriation of funds for specified activities such as blocks of television and radio time -- These funds might be made available equally to all candidates after the primary. If this partial public payment for some campaign activity was done, then private contributions by organizations and individuals might be limited to \$50.
- B. Matching of small private contributions with public funds -- A matching of small private contributions of up to possibly \$20 with public funds would tend to further encourage candidates to develop a broad base of small contributors.

DISCUSSION OF RECOMMENDATIONS

I. What are the similarities and differences between the campaign financing rules for state elections in the Ethics Act and our recommendation for local campaign financing?

1. Similarities and slight differences between the two include:

- A. Disclosure of itemized receipts and expenditures is required at periodic intervals before and after elections by both. Responsibility for reporting is placed on the treasurer of candidate campaign committees and contributing organizations for recording receipts and expenditures over \$20 and disclosure of contributors of \$50 or more.

Our proposal for local campaigns provides for somewhat simpler rules of disclosure, however, than those applying to state ones. The disclosure information of both calls for the name, address and amount of contributions, but we do not suggest the listing of occupation or place of business be required for local offices. This information, we concluded, requires considerable additional work for the treasurer and frequently provides little information about the motives of the contributor.

We also propose a reduction in the frequency of filing disclosure information. The state act requires reports six times -- on January 7, July 7, and five days before the primary, 30 days after the primary, five days before the general election, and 30 days after the last election a candidate stands for. Our proposal, however, would reduce this total to four times -- five days before the primary and general elections, and 30 days after each. We concluded that, while information on how campaigns are funded is necessary and important, it will be most useful to the public just before the election or more likely after the election is over. The largest amount of contributions are usually received late in a campaign when the largest expenditures are made. The difficulty of getting this information to the voters further suggests any use of it in following the actions of public officials or in analyzing their records for any excessive contributions will come after the election when complete statements are available. Any candidate committees with debts or bills outstanding, we suggest, should also continuously report their financial status and contributions they receive every three months until these obligations are retired or they become contributions six months prior to the next election for the office.

- B. Tax credits are proposed to encourage small contributions by the state law and in our recommendations for local campaigns. We note with approval the state action to give contributors a credit for their contributions to state campaigns. We simply suggest this also be extended and made available for contributions to local candidates.

2. More significant differences between the Ethics Act and our proposal appear in the area of spending limits, contribution limits, and direct public funding by the tax check-off.
 - A. Spending limits are set for state races while we suggest they not govern local campaigns. We concluded that, with adequate controls on contributions and with incentives for small contributors, the gravest concerns about possible influence of larger contributions would be alleviated. We also note that in many smaller local races too little rather than too much is spent in campaigns. One of the functions of a campaign is to alert voters to upcoming elections. Where very little is spent, as in some local races, campaigns fall short of even achieving this objective.
 - B. Contributions are more tightly limited for individuals and organizations in our proposal than in state law. We suggest an absolute level of \$100 per individual or organization instead of the graduated amounts provided for state offices. The state limits are \$750 for state representatives, \$1,500 for state senators, \$5,000 for statewide officials, \$10,000 for attorney general, and \$60,000 for governor. We concluded that the possible influence from larger contributions is not related to the total amount spent but can exist whenever a large contribution is made. The \$100 limit allows a parity between candidates, since, although candidates in more populous districts may well have more expensive campaigns, the number of possible contributors is also proportionately larger.
 - C. A relatively larger role for political parties in funding campaigns is recognized in both the state act and our proposal. The state law permits the political party to contribute up to 50% of the spending limits in contrast with the 10% limit on others. We suggest the parties be enabled to contribute up to \$.05 per capita of the election district in contrast with the \$100 limit on others.
 - D. Certain funding practices such as the use of dues, borrowing, transfers and solicitation of funds between campaigns are tightly restricted under our proposal. The state act permits organizations to make contributions from funds derived from dues. We recommend organizations be limited to a \$100 contribution to candidates, and, if dues are the source, the dues-paying members be notified and by majority vote decide which candidate will receive the organizations's contribution. Organizations receiving funds indirectly from dues through subsidiary organizations would be required to go back to the original group and members for a vote to send these funds to political candidates. This will encourage all political contributions to be made voluntarily, and, if they are not, it will give the assessed or dues-paying members the opportunity to voice their support for individual candidates.
1. Borrowing of funds. The state act does not limit borrowing. It discourages use of this source only to the extent spending is limited. We suggest, however, that any loans from individuals or organizations, directly or as guarantors of loans from financial institutions, be treated as contributions within the \$100 limit, if they are still outstanding six months before the next election for the office.

2. Solicitation between elections. We suggest the \$100 contribution limit apply from six months before the election to six months before the next election to an office. This will effectively limit activities to solicit funds between elections. In contrast, the state act implicitly permits such fund-raising activities but simply limits them to 20% of the spending limit each year or \$1,500 for state representatives, \$3,000 for state senators, \$20,000 for attorney general, and \$120,000 for governor.
 3. Transfers. We suggest transfers between candidate committees be prohibited. The state law, by contrast, permits an amount equal to 10% of the spending limit.
 4. We see legislative caucuses as organizations whose contributions should be tightly limited, whereas the state act views them as a part of the political party that can make substantial contributions. The state act, in treating caucuses as part of the political party, limits their contributions to 50% of the spending limit in contrast with the 10% limit on other organizations. We concluded that caucuses, however, are not under the control of political party organizations but instead are simply separate organizations for the election and political purposes of incumbents. We recommend they be limited to \$100 per candidate, as are other organizations.
- E. Direct public funds to candidates through the tax check-off are a feature of the state law we do not propose for local campaigns. We concluded there would be enormous problems in devising any formula for the distribution of state funds directly to the multitude of different kinds of local offices and therefore did not suggest this source of funds be used for local campaigns. Apart from this practical difficulty, however, we also question the desirability of substituting direct public funds for private contributions unless these public dollars help to achieve a public purpose. Such purposes might include financing of changes to the way campaigns are conducted that will increase candidate discussion of issues or improvements in information to the voters. As an alternative, these funds could also be used to encourage candidates by matching funds to seek out more small contributions.
- II. Should the basic principles we recommend for local races of campaign funding from many small contributors and political parties with limits on large contributions equally apply to state campaigns?

Yes. The Ethics Act has many sound features. We particularly commend the Legislature for setting up the system for reporting and disclosure of campaign receipts and spending and for adopting the tax credit incentive for small contributions. We believe, however, that the approach we suggest for local campaigns merits consideration in a discussion of proposals for changes in the near future to the Ethics Act.

We suggest the Ethics Commission, this fall, apply the basic principles we recommend for local campaigns to state ones in its job of reporting to the Legislature. After evaluating our proposals as they might apply to the Ethics Act, the Commission should make recommendations to the 1975 Legislature.

III. Will limits on large contributions merely drive major contributors underground or result in a proliferation of organizations?

This is a possibility and needs to be watched. Our recommendations do not limit the amount that can be contributed to campaigns generally but only to candidates. Major contributors, whether individuals or organization, can give as much as they desire to the political parties. They are limited only in the amount they can earmark by a contribution to individual candidates.

If some persons or groups choose by indirect means to make a contribution beyond the \$100 limit, they face the possibility of a fine and penalty for this action. The further difficulty of one group splitting into many, each of which may contribute \$100 and yet maintaining control, is likely to deter most organizations from doing this. However, this needs to be watched carefully in the contribution reports of organizations, and is one area in which further steps may be needed to discourage such activities in the future.

IV. Will limits on contributions also limit the amount spent?

This is possible . . . particularly for a few years in races that have spent large amounts of money in the past. A period of transition from large to small contributions may result in some reductions in spending for a few campaigns. These generally more expensive ones, however, also tend to be more visible to the public from press and media coverage. Even in these cases, however, assuming past contributions of more than \$100 are not allowed, the reduction would not be more than 20%. In the races where little is spent, our proposed contribution limits would seldom reduce the amount spent.

V. Are there constitutional problems with contribution limits?

We were unable to determine if there are any significant legal problems with a system of tight contribution limits. The case history in the courts, to date, provides few clear answers as to whether such limits would be an infringement of free speech. Some legal authorities argue they would, but others suggest the public good of having confidence in the elective system would mitigate against any deprivation of free speech. We felt we were unable to answer satisfactorily this question, and instead recommend the Legislature proceed to get the limitations in place and give the courts the opportunity to resolve the issue.

VI. Why should political parties have a larger role in funding essentially non-partisan local races?

We are recommending the political parties as defined in state law, which at present means the two major parties, be permitted to approach local campaigns with funding only where they decide to endorse candidates. The parties already selectively endorse candidates for non-partisan offices in Hennepin and Ramsey Counties and in a number of suburban city elections. They traditionally do not endorse persons in school board races and for many offices in smaller cities and in many counties. The principle of political party involvement in elections, we believe, is a sound one so long as the party

is open in membership and representative of the persons who identify with it. The resources and interest of the party in city, county and school issues, however, will continue to govern their role in non-partisan local races, and may not significantly increase for many local races in the near future.

VII. Why not have the State Ethics Commission or county ethics commissions handle local campaign reports instead of the county auditor and the county attorney?

We considered these alternatives but rejected them in favor of placing responsibility for handling and enforcing the local campaign finance law with the county auditor and county attorney. These offices are already established to perform this work. They are much more accessible to voters and candidates in local elections than the State Ethics Commission. In addition, we concluded that the Commission already has a substantial job in simply handling state elections. We believe the Commission, however, can provide valuable assistance to the auditors and local candidates with forms and procedures and a degree of back-up in checking on the work of the auditor in analyzing reports.

Creation of a number of county or regional ethics commissions was also considered and rejected. While this administration and enforcement mechanism at first glance has many attractive features to ensure reports are filed and analyzed, it also means many new commissions would have to be established.

We are not sure at this time that, with clear legislative direction to the auditor and county attorney on their duties, they will sufficiently do this job. We concluded, however, that permitting citizens and candidates to register complaints with the county attorney and the State Ethics Commission, and with periodic monitoring of the auditor's work by the Commission, there would be some checks and a way of determining in the future whether those officers can do the job.

VIII. Can't steps be taken to reduce the cost of campaigns and thereby problems which arise with financing?

We considered various approaches to reduce the amount spent in costly campaigns from limits on the use of various campaign techniques such as billboards, TV and radio spot ads, direct mailing of literature and lawn signs to a reduction in the time for campaigning.

Some techniques are offensive to many people because of their visual appearance, the interruptions they cause in regular programming or because of the limited information they convey to voters. We were reminded, however, that two of the purposes of a campaign are to alert people about an upcoming election and to identify the candidates. We were unable to find any evidence or agreement, however, that any of these techniques were not effective for these limited campaign purposes. We also felt that to the degree possible, within conventional approaches to campaigns, candidates should be free to choose how to conduct their campaigns and to decide upon what items they wanted to spend money.

One area . . . a limit on the time for campaigns . . . might reduce the cost and deserves further study. A much shortened time for campaigning to possibly eight weeks might also work to reduce voter fatigue with campaigns. However, a short campaign could result in depriving a candidate of the door-to-door contact which requires considerable time and costs little. In addition, it could also simply encourage greater use of expensive techniques, such as media spot ads and direct mail.

WORK OF THE COMMITTEE

Background

In the past few years, campaign financing has come to the forefront as a major issue and concern. In 1971, numerous studies and proposals resulted in a new national campaign law for disclosure in federal elections and the beginning of discussion in the Minnesota Legislature. Subsequent disclosures about funding of the 1972 presidential elections further escalated the national concern and state discussion.

The subject of campaign financing has long been on the list of possible research projects of the Citizens League, and in 1972 was seriously considered but did not make the final list of projects. The growing concern and high level of public discussion led the League in August 1973 to authorize the formation of a League committee on political campaigns, with the following assignment:

"Issues relating to the financing of political campaigns will receive priority attention by the Minnesota Legislature in 1974. These issues relate to public financing of campaigns, disclosure and reporting of campaign finances, limitations on contributions and spending, coordination of federal and state campaign finance laws, regulatory framework, penalties, and which elective offices are to be covered. In addition, questions are beginning to be raised about the public interest in the conduct of political campaigns and the relationship of the use of public funds which are made available for political campaigns to advancing the public interest. We would consult with party leaders, candidates, office holders and others. We would reach conclusions on the problems with the present methods of financing campaigns and make recommendations to the 1974 Legislature."

Committee Membership

A total of 28 persons participated actively in the deliberations of this committee. It was co-chaired by Roger Hale, a vice-president of Tennant Company, and William Sands, a vice-president of Western State Bank of St. Paul. Other members were: Josef L. Altholz, Bjarnie R. Anderson, Jack L. Armstrong, Earl A. Arneson, Gerald D. Brennan, David E. Broden, Lynn W. Carlson, Mary E. Carlson, John L. Carr, Ann S. Duff, Normandy Hamilton, Mel Hansen, Mike Hartigan, Richard Konrad, Lois E. Mizuno, Duane Mourlam, Jim Newland, David L. Norrgard (to May 22), Don Paterick, Joseph W. Skovholt, Ron Speed, Ruth H. Stack, Arthur J. Stock, James J. Strauss, William P. Walsh, and Vernie Wolfsberg.

The committee was assisted by Clarence Shallbetter, Citizens League research associate, and Jean Bosch of the clerical staff.

Committee Procedures

The committee met 34 times from November 14, 1973, to September 12, 1974, mostly in 2-3 hour sessions. Detailed minutes of the meetings were prepared of both presentations made to the committee and its deliberations.

The committee began by looking at the financing of state campaigns and proposals under discussion in the Legislature. Information summarizing receipts and expenditures of legislative candidates was collected and made available to the committee. From January to March the committee primarily engaged in internal discussion during which it developed a number of basic principles for campaign financing. The Legislature at the same time was moving to final consideration of the Ethics Act, which passed late in March. The committee decided at this point to concentrate on financing of local campaigns . . . a large area untouched by the Act. It subsequently met with resource persons familiar with local campaigns and received information from campaign reports filed by many local candidates. Several drafts of findings, conclusions and recommendations were prepared before committee consensus was reached and the report submitted to the Citizens League Board of Directors.

The following persons met with the committee:

Arlen Erdahl, former Minnesota Secretary of State.
Byron E. Starns, Deputy State Attorney General.
Robert J. Brown, State Senator and Chairman of State Republican Party.
Tom Berg, State Senator.
Henry F. Fischer, Chairman of State DFL Party.
Stephen Keefe, State Senator.
Michael Berman, attorney and campaign fund-raiser.
David Durenberger, former assistant to Minnesota Governor Harold LeVander.
James R. Heltzer, State Commissioner of Economic Development, and former City Councilman of St. Louis Park.
Charles Backstrom, professor of political science, University of Minnesota.
Robert King, editor, Minneapolis Star.
John Finnegan, editor, St. Paul Dispatch & Pioneer Press.
Bernie Shellum, political reporter, Minneapolis Tribune.
J. Robert Stassen, State Senator.
Martin O. Sabo, State Representative and Speaker of the House.
John Turner, professor of political science, University of Minnesota.
Robert Forsythe, former Republican Party officer.
Ernest Lindstrom, former State Representative.
Donald M. Fraser, United States Congressman.
William E. Frenzel, United States Congressman.
Thomas Byrne, former mayor of St. Paul.
Lyall A. Schwarzkopf, former Hennepin County Republican Party chairman and State Representative.
Richard Curtin, former Minneapolis Alderman.
Janet Yonehiro, former councilman and mayoral candidate of Minnetonka.
Henry Moore, campaign chairman for a Minneapolis alderman.
Robert Scarlett, fund-raiser for many candidates in Ramsey County.
Arne Carlson, State Representative.
Paul Uselmann, former City Councilman of Eagan.
Richard O. Hanson, Hennepin County Commissioner.
Gladys Brooks, former Minneapolis Alderman and candidate for mayor.
Kenneth Wolfe, former City Councilman and Mayor of St. Louis Park, and former State Senator.
Philip Cohen, Mayor of Brooklyn Center.
Anthony Danna, Ramsey County Commissioner.
James Johnson, public relations, Dayton Hudson Co.

B A C K G R O U N D

1. Expenditures for Local Elections

Information on the amount spent by candidates and their volunteer committees for local offices is spotty and incomplete. Expenditure reports are not required or filed by candidates for some offices such as for school boards or offices in cities of less than 20,000 population. In cities of over 20,000 and in counties, reports are filed by candidates. However, in some cases reports are not filed by the volunteer committees. The completeness of reports and the consistency from earlier to later reports also varies considerably. For example, a volunteer committee may file a report after the primary election but none after the general election. In other cases the amount reported spent after the primary is not the same amount reported for this earlier period on the report filed after the general election.

Expenditure reports filed in many city elections in the past couple of years are much more complete than in earlier years. Many candidate committees are not only doing a more complete job of reporting expenditures but also voluntarily disclosing contributions. This was most apparent in recent reports from many candidates in Minneapolis and St. Paul.

Chart 1 describes expenditures made by candidates for various city offices in the Twin Cities area and for school board races in Minneapolis and St. Paul. The list is not all-inclusive, as it is based only on the information available in the offices of city clerks in the listed cities.

Chart 1

Expenditures Reported by Candidates for Local Office

| | |
|------------------------------------|-----------|
| CC - City Council | * Elected |
| C - Comptroller | |
| CB - County Board | |
| E&T - Board of Estimate & Taxation | |
| LB - Library Board | |
| M - Mayor | |
| PB - Park Board | |
| SB - School Board | |
| T - Treasurer | |

| | <u>Less than \$500</u> | <u>\$501-1000</u> | <u>\$1001-2000</u> | <u>\$2001-4000</u> | <u>\$4001-8000</u> | <u>\$8001 +</u> |
|---|------------------------|-------------------|--|---------------------------|--------------------------------------|--|
| Minneapolis 1973 (Citywide - Pop. 434,400) | E&T - \$305 | LB - \$500* | SB - \$1989 E&T - 1844* PB - 1778* T - 1593 E&T - 1010 | LB - \$3711 LB - 2500* | T - \$5151* C - 4304 SB - 4070 | M - \$119,741* M - 40,645 M - 25,070 SB - 18,590* PB - 12,808 SB - 9,567* C - 9,040* |

(continued on next two pages)

| | <u>Less than \$500</u> | <u>\$501-1000</u> | <u>\$1001-2000</u> | <u>\$2001-4000</u> | <u>\$4001-8000</u> | <u>\$8001 +</u> |
|---|-------------------------------------|-------------------------------------|---|-------------------------------------|---------------------------|---|
| St. Paul 1974 (Citywide - Pop. 309,866) | CC - \$410 SB - 185* CC - 125 | CC - \$826 | SB - \$1720 SB - 1691 SB - 1325 SB - 1269* SB - 1147* | CC - \$2323 SB - 2294 | CC - \$5669* CC - 4377 | M - \$55,743* M - 40,455 M - 30,108 CC - 22,504* CC - 16,900* CC - 16,086* CC - 10,205* CC - 9,894* CC - 9,392 CC - 9,216* CC - 8,407 |
| Ramsey County Board, 1972. Dist.-St. Paul Pop. 309,866 | | | | | | CB - \$16,260 CB - 13,210* |
| Henn. County Board, 1972. Dist.- Pop. 192,016 | | | | | CB - \$6009* | CB - \$13,596 CB - 10,084* CB - 7,093 |
| Bloomington 1973 (At-large - Pop. 81,970) | | | M - \$1911* CC - 1583* CC - 1324 CC - 1239 | M - \$3004 CC - 2450* | | |
| Mpls. 1974 (Park Bd. Dst. Pop. 72,333) | | PB - \$992* PB - 917 PB - 882 | PB - \$1049 | PB - \$3252 | | |
| St. Louis Park, 1973. (At-large - Pop. 48,883) | CC - \$346 | | CC - \$1741* | M - \$2650 | M - \$4969* | |
| Richfield '72 (At-large - Pop. 47,231) | CC - \$389 | CC - \$766* | | | | |
| Edina - '71 (At-large - Pop. 44,046) | | CC - \$887 | | M - \$3630 M - 3288 CC - 3465 | | |
| Minnetonka - '73 (At-large - Pop. 35,776) | CC - \$338* | CC - \$724* | | M - \$3592 | M - \$6865* CC - 5634 | |
| Brooklyn Center - '72 (At-large - Pop. 35,170) | | CC - \$840 | CC - \$1743 CC - 1717* CC - 1500* | | | |

| | <u>Less than \$500</u> | <u>\$501-1000</u> | <u>\$1001-2000</u> | <u>\$2001-4000</u> | <u>\$4001-8000</u> | <u>\$8001 +</u> |
|---|------------------------|---|--|---------------------------|---|--|
| Roseville - '73 (At-large - Pop. 34,438) | CC - \$300 CC - 252 | | CC - \$1886* | CC - \$2063 CC - 2059* | | |
| Mpls. - 1973 (Wards - Pop. 33,384) | | CC - \$948 CC - 919 CC - 883 | CC - \$1866 CC - 1706 CC - 1688 | | CC - \$7737* CC - 7478* CC - 7415* CC - 7324* CC - 7347 CC - 7314* CC - 7091* CC - 7080 CC - 6733* CC - 6294 CC - 6158 CC - 6155* CC - 6062* CC - 5039* CC - 4178 | CC - \$10,278* CC - 10,104* CC - 8,420 |
| Dakota County 1972 (Districts - Pop. 27,961) | | CB - \$959* CB - 787 | CB - \$1991* CB - 1981 CB - 1848* CB - 1222 | | | |
| Maplewood 1973 (At-large - Pop. 25,186) | CC - \$371 CC - 338 | M --- \$971* M - 768 CC - 555* CC - 531* | | | | |
| Golden Valley 1972 (At-large - Pop. 24,246) | CC - \$483 | CC - \$578 | CC - \$1833* CC - 1059* | | | |
| New Hope '73 (At-large - Pop. 23,180) | | CC - \$923* CC - 644 M - 594* | | | | |
| St. Louis Park - '73 (Wards - Pop. 12,220) | | CC - \$640 | CC - \$1800 CC - 1345* | CC - \$2265* | | |
| Minnetonka 1973 (Wards - Pop. 8944) | | | CC - \$1921 CC - 1456* | | | |

Population of election districts

Our proposal for a Local Campaign Finance Act would not apply to the bulk of local officials who are elected in the 794 municipalities and 409 school districts with populations of less than 10,000 in the state. They would affect only some officials elected in 75 counties, 55 municipalities and 68 school districts where the election district exceeds 10,000 population.

The number of counties, municipalities and school districts which have some public officials elected from districts exceeding 10,000 population is as follows:

Chart 2

Number of Counties, Municipalities and School Districts
with Populations in Excess of 10,000 in 1970

| <u>Population</u> | <u># of Counties</u> | <u>In 7- County Metro Area</u> | <u># of Municipalities</u> | <u>In 7- County Metro Area</u> | <u># of Districts</u> | <u>In 7- County Metro Area</u> |
|--|--------------------------|--|--------------------------------|--|---------------------------|--|
| Over 56,500 (State Senate Districts) | 8 | (5) | 5 | (3) | 7 | (5) |
| Over 28,250 (State Rep. Districts) | 17 | (2) | 13 | (10) | 10 | (9) |
| Over 20,000 | 17 | - | 9 | (7) | 13 | (9) |
| Over 10,000 | <u>33</u> | - | <u>28</u> | (15) | <u>38</u> | (8) |
| Total | 75 | (7) | 55 | (35) | 68 | (31) |

The number of public officials elected in more populous districts of over 10,000 population is approximately three times (642) the number elected to the Legislature (201). Although only 198 local units of government exceed this population, frequently there are 5-7 or more positions in these limits where candidates run at-large or from districts exceeding this population.

The number of persons elected in local districts with more than 10,000 population is estimated in Chart 3.

Chart 3

Number of Public Officials from
Election Districts of Over 10,000 Population

| | <u>County</u> | <u>Municipalities</u> | <u>School Districts</u> | <u>Special Districts</u> | <u>Total</u> |
|--------------|---------------|-----------------------|-----------------------------|------------------------------|--------------|
| Over 100,000 | 23 | 11 | 20 | 15 | 69 |
| Over 56,500 | 15 | 12 | 20 | 6 | 53 |
| Over 28,250 | 27 | 60 | 69 | | 156 |
| Over 20,000 | 5 | 38 | 79 | | 122 |
| Over 10,000 | <u>20</u> | <u>106</u> | <u>116</u> | | <u>242</u> |
| | 90 | 227 | 304 | 21 | 642 |

The largest proportion of these elected positions is found in the Twin Cities metropolitan area. The job of the county auditors and attorneys will be significantly greater in these counties -- Hennepin, Ramsey, Anoka, Dakota, Washington and St. Louis Counties -- than in most others throughout the state.

The number of persons elected in local districts with more than 10,000 in these six counties is estimated in Chart 4.

Chart 4

Number of Public Officials from Election
Districts over 10,000 Population in Six Counties

| <u>County</u> | <u># in County</u> | <u># in Municipalities</u> | <u># in School Districts</u> | <u># in Special Districts</u> | <u>Total</u> |
|---------------|------------------------|--------------------------------|----------------------------------|-----------------------------------|--------------|
| Hennepin | 7 | 73 | 79 | 21 | 180 |
| Ramsey | 9 | 39 | 32 | | 80 |
| Anoka | 8 | 22 | 25 | | 55 |
| Dakota | 8 | 26 | 33 | | 67 |
| Washington | 12 | 10 | 20 | | 42 |
| St. Louis | <u>8</u> | <u>26</u> | <u>33</u> | | <u>67</u> |
| Totals | 52 = 58% of | 196 = 86% of | 222 = 73% of | | 491 = 76% of |
| | total # | total # | total # | | total # |

3. Voter Turnout for Local Elections

The turnout of persons who are eligible to vote (basically those who are 18 years old and over) falls dramatically from one type of election to another. Whereas approximately 70% vote for national elections, only 30% do so for city elections and 11% for elections to school boards. The actual turnout in a given election may be higher -- particularly when there are heavily contested races that may generate more voter interest. However, the turnout for local elections -- particularly for most school boards -- is extremely low.

Charts 5 and 6 illustrate the voter turnout for recent elections in most municipalities and school districts with more than 10,000 population in the Twin Cities area.



The largest proportion of those eligible to vote is found in the Twin Cities area. The rest of the country and states will be significantly smaller in these counties -- Hennepin, Ramsey, Ancker, Dakota, Washington and St. Louis.

The number of persons elected in local districts with more than 10,000 in these six counties is reported in Chart 6.

Chart 6

Number of Public Officials from Election Districts over 10,000 Population in Six Counties

| County | 5 in County | 4 in Municipalities | 3 in School Districts | 2 in Special Districts | Total |
|------------|-------------|---------------------|-----------------------|------------------------|-------|
| Hennepin | 7 | 73 | 70 | 21 | 180 |
| Ramsey | 9 | 38 | 33 | | 80 |
| Ancker | 8 | 33 | 22 | | 63 |
| Dakota | 8 | 30 | 22 | | 60 |
| Washington | 12 | 10 | 10 | | 32 |
| St. Louis | 8 | 28 | 33 | | 69 |
| Total | 52 | 283 | 222 | 21 | 578 |
| Total | 52 | 283 | 222 | 21 | 578 |

Chart 5

Number and Percentage of Eligible Voters Who
Voted in Recent City Elections in Cities of Over
10,000 Population in Twin Cities Area

| | <u>Year of</u> <u>Election</u> | <u>Number of</u> <u>Eligible</u> <u>Voters-1970</u> | <u>Number Who Voted</u> <u>.(Ballots cast)</u> | <u>Percentage</u> <u>Who Voted</u> |
|------------------|-----------------------------------|---|---|---------------------------------------|
| Minneapolis | 73 | 318,867 | 127,178 | 40% |
| St. Paul | 74 | 211,733 | 65,388 | 31 |
| Bloomington | 73 | 46,520 | 14,804 | 32 |
| St. Louis Park | 73 | 33,058 | 10,251 | 31 |
| Richfield | 73 | 31,203 | 2,134 | 7 |
| Edina | 73 | 27,772 | 4,817 | 17 |
| Minnetonka | 73 | 20,273 | 8,679 | 43 |
| Roseville | 73 | 20,859 | 6,567 | 31 |
| Brooklyn Center | 73 | 19,772 | 4,161 | 21 |
| Crystal | 73 | 17,941 | 2,875 | 16 |
| Fridley | 72 | 16,519 | 11,767 | 71 * |
| South St. Paul | 73 | 15,564 | 4,680 | 30 |
| Brooklyn Park | 73 | 15,066 | 9,500 | 63 |
| Maplewood | 72 | 14,776 | 4,634 | 31 |
| Coon Rapids | 73 | 14,614 | 4,387 | 30 |
| Columbia Heights | 73 | 14,761 | 3,227 | 22 |
| Golden Valley | 73 | 14,564 | 3,063 | 21 |
| New Hope | 73 | 12,870 | 1,786 | 14 |
| West St. Paul | 72 | 12,712 | 9,634 | 76 * |
| White Bear Lake | 72 | 12,441 | 2,962 | 24 |
| New Brighton | 73 | 11,582 | 2,956 | 26 |
| Robbinsdale | 72 | 11,531 | 8,647 | 75 * |
| Blaine | 73 | 10,486 | 2,807 | 27 |
| Burnsville | 73 | 10,310 | 2,768 | 27 |
| Plymouth | 73 | 10,168 | 2,925 | 29 |
| Hopkins | 73 | 9,427 | 996 | 11 |
| Anoka | 73 | 8,480 | 1,515 | 18 |
| Hastings | 72 | 7,055 | 2,354 | 33 |
| North St. Paul | 72 | 6,769 | 4,634 | 68 * |
| Stillwater | 72 | 6,191 | 2,408 | 39 * |
| Cottage Grove | 73 | 6,160 | 1,304 | 21 |
| Inver Grove Hts. | 73 | 6,128 | 452 | 7 |
| Shoreview | 73 | 6,060 | 1,008 | 17 |
| St. Anthony | 73 | 5,689 | 1,352 | 24 |
| Mounds View | 73 | 5,184 | 432 | 8 |
| Apple Valley | 73 | 4,494 | 2,897 | 64 |
| Average | | | | 29% |

* City elections held at same time as state elections.

Chart 6

Number and Percentage of Estimated Number of Eligible Voters
Who Voted in Recent School Board Elections in the Twin Cities Area

| | <u>Year of Election</u> | <u>Population 1970</u> | <u>Estimated Number of Eligible Voters</u> | <u>Number Who Voted (Ballots Cast)</u> | <u>Percentage Who Voted</u> |
|----------------------|-----------------------------|----------------------------|--|--|---------------------------------|
| Anoka #11 | 74 | 80,690 | 45,186 | 6,803 | 15% |
| Bloomington #271 | 74 | 80,936 | 46,134 | 4,661 | 10 |
| Brooklyn Center #286 | 74 | 9,276 | 5,195 | 191 | 4 |
| Burnsville #191 | 73 | 21,651 | 11,259 | 1,196 | 11 |
| Columbia Hg. #13 | 73 | 28,125 | 11,438 | 1,215 | 7 |
| Edina #273 | 73 | 40,668 | 25,521 | 3,121 | 12 |
| Fridley #14 | 74 | 19,597 | 10,974 | 1,117 | 10 |
| Golden Valley #275 | 74 | 6,281 | 3,769 | 597 | 16 |
| Hopkins #274 | 74 | 40,154 | 25,699 | 3,798 | 15 |
| Minneapolis #1 | 73 | 434,400 | 318,867 | 127,178 | 40* |
| Minnetonka #276 | 74 | 26,374 | 15,033 | 1,675 | 11 |
| Mounds View #621 | 74 | 47,702 | 28,144 | 2,618 | 9 |
| N. St. Paul #622 | 73 | 41,633 | 24,147 | 2,317 | 10 |
| Osseo #279 | 73 | 43,542 | 24,819 | 908 | 4 |
| Richfield #280 | 74 | 49,816 | 49,816 | 1,688 | 3 |
| Robbinsdale #281 | 72 | 104,146 | 63,529 | 3,046 | 5 |
| Roseville #623 | 74 | 51,130 | 31,189 | 1,592 | 5 |
| St. Anthony #282 | 73 | 10,455 | 6,482 | 1,167 | 18 |
| St. Louis Park #283 | 73 | 47,402 | 31,759 | 3,416 | 11 |
| St. Paul | 74 | 309,856 | 211,733 | 65,388 | 31* |
| S. St. Paul #6 | 73 | 24,923 | 15,452 | 4,680 | 30* |
| West St. Paul #197 | 74 | 27,820 | 18,082 | 1,728 | 10 |
| White Bear Lake #624 | 73 | 35,565 | 19,205 | 4,423 | 23 |

* School board elections held at the same time as city or state general elections.

• ABOUT THE CITIZENS LEAGUE . . .

The Citizens League, founded in 1952, is an independent, non-partisan educational organization in Twin Cities area, with some 3,600 members, specializing in questions of government planning, finance and organization.

Citizens League reports, which provide assistance to public officials and others in finding solutions to complex problems of local government, are developed by volunteer research committees, supported by a fulltime professional staff.

Membership is open to the public. The League's annual budget is financed by annual dues of \$15 (\$25 for family memberships) and contributions from more than 500 businesses, foundations, and other organizations.

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YOU ARE INVITED . . .

. . . to join the Citizens League

- Serve on a CL Research Committee
- Receive the CL News
- Attend CL Community Leadership Breakfasts
- Become better informed on public affairs
- Help provide financial support for the League's program

Act NOW by returning the attached application blank.

Application for Membership in the CITIZENS LEAGUE

(C.L. Membership Contributions are Tax Deductible)

Please check:

Individual \$ 15.00 ☐ Contributing \$35.00 and up ☐
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*\$25 for families desiring only one copy of CL NEWS. \$30 for two separate mailings.

☐ First year's dues enclosed

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Vital Issues

(REG. U.S. PAT. OFF.)
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WASHINGTON, CONNECTICUT 06793
Volume XXIV, Number 1

CAMPAIGN FINANCE REFORM:

What Is Happening — Particularly in the Individual States?

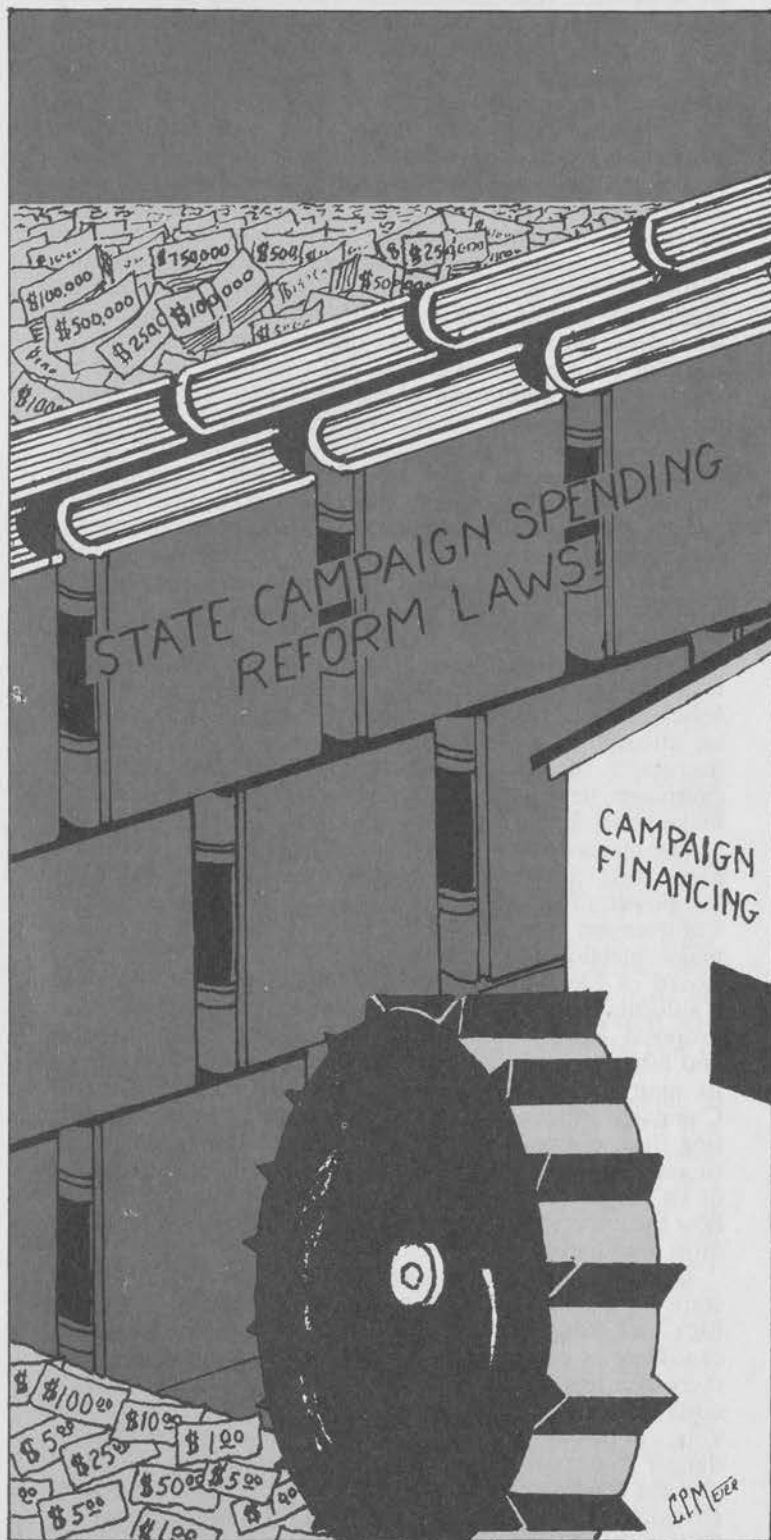
by Herbert E. Alexander

(Dr. Alexander is Director of the Citizens' Research Foundation. The presentation and conclusions expressed in this VITAL ISSUE are the responsibility of the author and do not necessarily reflect the views of the members of the Board of Trustees of the Citizens' Research Foundation nor of the Center for Information on America.)

In recent years, Americans have come to look to the federal government for major initiatives in reform legislation. Since the days of Franklin Roosevelt's New Deal, it has seemed that the lead in formulating economic and welfare legislation, and in such diverse areas as education and housing and health and antipoverty programs, has come from Washington. One reason that we tend to focus on the federal government is that it is easier to keep track of what is going on in Washington than it is to monitor developments in 50 state capitals.

Yet in the area of campaign finance reform, our natural tendency to look first to Washington would cause us to miss much of the action. Not, perhaps, since the turn of the century or the progressive era have the states served as such busy laboratories of reform as they have during the past two years in changing the regulations by which political campaigns are financed.

The Congress started the new reform movement in 1971-72, when two laws were enacted: the Federal Election Campaign Act of 1971, and the Revenue Act of 1971. The former brought much more comprehensive and detailed disclosure of political campaign fund receipts and expenditures, and improved procedures for enforcement of the election law. The latter provided tax incentives for political contributions and a tax dollar checkoff; these will be explained shortly. The states soon began to move rapidly toward reform, and now have outpaced the Congress which, at this writing, is moving very slowly in the second round of reform. At the National Governors' Conference in June, 1974, a resolution was adopted in support of full disclosure of receipts and expenditures, alter-



Drawings by C. P. Meier

EDITORIAL ADVISORY COMMITTEE: Henry S. Commager, Professor of History, Amherst College; Richard W. Cortright, Division of Instruction and Professional Development, National Education Association; Sister Sarah Fasenmyer, Dean, School of Education, Catholic University of America; James W. Fesler, Professor of Government, Yale University; Eric F. Goldman, Professor of History, Princeton University; Philip Handler, President of the National Academy of Sciences, Professor of Biochemistry at Duke University, and member of the President's Science Advisory Committee; Richard I. Miller, Associate Director of Programs, Illinois Board of Higher Education; Robert Spiller, Professor Emeritus of English, University of Pennsylvania, and Past-President of the American Studies Association.

EDITOR: Townsend Scudder, President of the Center



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6/20/75 House Com. on General Legislation + Veterans Affairs
12:00, Rm 81, State Office Bldg.

Com. Chairman:

Write legislation at state level to cover local campaign financing.

John Tierney - chairman, Ramsey City Board of Commissioners

- no spending limitations on local campaigns + no disclosing now
- could live w/ limitation betw. syndical + representative
- \$10,000 to \$15,000 should be adequate. Need it high enough to oust an incumbent. Suggested $\frac{1}{2}$ of salary, but that not enough (\$5,000) for a non-incumbent
- \$25 limit o.k., but should be revised upwards, for disclosure of campaign contributions
- misdemeanor is sufficient deterrent, because publicity is real penalty. Could have %age of salary taken as fine for committee's failures

John Christianson - St. Paul City Council (legislation com.)

- council voluntarily disclosed \$25 or more contribution. Would like this mandatory

- uniform + comprehensive campaign financing laws, uniform reporting dates, financial disclosure statements
- \$5,000 to \$25,000 range for council seat spending

(Incumbent raises more money than non-incumbent now)

Citizens League report available

- Bill Sands - co-chairman on local campaign finance

- (10% funds came in after election of mayor, campaigns financed by 5 or 6, present all loopholes)
- should have smaller contributions + more contributors
- now have voter apathy, low voter turn-out
- should prohibit transfers, limit borrowings + candidate contributions
- disclose, no spending limits, no limitation on contributions to party, but limitations on contributions to candidates
- want political parties involved in all elections + party designation on present non-partisan races

Clarence Shellbaker - Staff of Citizens League

- develop system of incentives + tax credit
- uniform election date to help improve low voter turnout (in odd numbered years) Such a bill was passed in House last session. Also a tax credit
- Pol. Party contrib = \$4 per person in district = \$1000 approx. A caucus is not a Pol. Party, but should be

Handled as any other organization.

- Pol. Parties would probably continue pretty much as now
 - already active in subsidizing many non-partisan races
- violation of contrib. limits would be gross misdemeanor
- filing violation = misdemeanor
- law would not be applicable to committees under 10,000
- disclosure requirements are not a large effort for lesser offices, because little money is spent
- A caucus is a group of people of incumbent office holders, not under direction of Pol. Party.
- City auditor be recipient of financial disclosures + audit reports
- Should have fewer reports

Bill Wethergram - MN Sch. Bds Assoc.

- salaries, 0 to \$2400 (Miss River Falls), received by sch. bd. members. 1,062 sch. bd. positions to be filled each year ± From 2 to 14 candidates for 2 or 3 positions
- file cont. fee usually + can be filed by petition
- \$1,000 or \$1500 maximum against spent out of Hpls. of time
- mailing is major cost [and term for fees]
- frequently run as team ± single com.
- sch. dist. frequently cover more than one county, so who would be city auditor?
- in 26 years experience, has seen no abuses
- shouldn't get so tight you discourage capable people
- Code of Ethics distributed to all sch. bd. members + superintendents along w/ statutes etc. - used as model nationwide
- avg. size of sch. dist. = 43 teachers or 1200-1400 students

436 + 3 voters sch. districts

Ralph

- Assoc. of counties



memorandum

The League of Women Voters of the United States

This is going on DPM

February 9, 1976

TO: State and Local League Presidents
FROM: Ruth Clusen
RE: U.S. Supreme Court decision on campaign finance

On January 30 the Supreme Court ruled on the constitutionality of the new campaign finance law. Passage of the 1974 amendments to the Federal Election Campaign Act had represented one of the biggest legislative victories in the history of the League of Women Voters. On the basis of its campaign finance position, the League had worked hard for enactment of the bill that required complete disclosure of campaign finances, limits on contributions and expenditures, public financing of presidential elections, and an independent commission to oversee the process and enforce the law.

To help preserve this success, the League intervened in defense of the new law's constitutionality in the case of Buckley v Valeo. In its decision last week, the Court upheld most of the law. However, certain key portions were ruled unconstitutional--the Federal Election Commission as presently constituted and campaign spending limits.

Congress must take speedy action to reconstitute the FEC to conform to constitutional requirements. An independent body to oversee elections is essential if the remaining campaign finance regulations are to be at all effective.

This memo 1) summarizes the most significant portions of the Court's decision; and 2) analyzes the impact on state campaign finance laws which may be expected. The accompanying ACTION ALERT examines the remedies which have already been introduced in Congress and suggests what you can do now to save the improvements that have been made in campaign financing.

COURT DECISION

Provisions Ruled Unconstitutional

A. The Federal Election Commission as presently constituted.

The Court found that the way commissioners are selected--two nominated by the Senate, two by the House, and two by the President--violated the Constitutional separation of powers. The President alone has the power to appoint officers of the government. According to the ruling, in its present form, the Commission only has the authority to investigate and gather information. Other regulatory powers are eliminated. The Court ruled, however, that this reduction in authority will not take place for 30 days in order to give Congress time to take the action necessary to establish a constitutionally selected Commission. Meanwhile, the actions the Commission has taken so far, such as distribution of primary matching funds to presidential candidates, are allowed to stand.

- B. Limits on spending (by campaign committees; by individuals and political committees independently supporting a candidate; by a candidate from his or her personal funds; but not by national parties)

The Court said that limits on campaign spending violate the First Amendment right of free speech, since most public expressions of opinion cost money. Therefore, campaigns may now legally spend as much as they can raise. The exception is that presidential candidates who choose to accept public financing must stay within the expenditure limits--\$10 million for the nomination and \$20m for the general election.

Under the law, candidates (and their immediate families) were restricted in the amount they could contribute to their own campaigns (\$25,000 for the House of Representatives and \$35,000 for the Senate and \$50,000 for the presidency). Under this decision, however, candidates (but not their families) may now spend as much as they want on their own behalf.

The decision also did away with limits on the amount an individual or group can spend independently to support a candidate (formerly \$1000). As long as the money is not given to the candidate or spent under his or her direction, there is no ceiling. For example, individuals and associations can spend unlimited funds to put their own ads in newspapers supporting a candidate.

Key Provisions Left Standing

The rest of the law was held constitutional. Key provisions remaining include:

A. Complete disclosure of all contributions and expenditures by campaigns and political committees. (However, the Court suggested that minority parties or groups favoring unpopular causes might sue for exemption if contributors faced hardship and reprisals due to disclosure.)

B. Limits on individual contributions to candidates. (\$1000 per candidate per election.) The \$1000 limit does not include the value of time volunteered by an individual, up to \$500 unreimbursed travel expenses, or up to \$500 worth of in-kind contributions of food, beverage, or space if an individual holds a party or meeting for a candidate in his or her residence.

C. Limits on total individual contributions to all federal candidates and political committees in any year (\$25,000 per year).

D. Limits on contributions by multi-candidate committees (\$5,000 per candidate per election).

E. Public financing of the presidential election process. (Matching funds in the primaries; \$2 million to each major party for conventions; \$20 million in the general election for major party candidates, and funds in proportion to the votes received for minor parties.)

F. Limitations on expenditures of national parties in support of candidates (2 cents per voting age population in Senate and presidential races and \$10,000 in House races).

EFFECT OF DECISION ON STATES

Major revisions of state campaign finance laws are anticipated in the aftermath of the landmark decision of the United States Supreme Court. It is estimated that laws in at least 35 states will be affected by the Court's ruling.

The most far-reaching consequence of the decision in Buckley v Valeo is that almost all limitations imposed on expenditures for state and local election campaigns will be found to be unconstitutional. Similarly, any state whose law is presently enforced by a commission consisting of some legislative and some executive appointees will very likely have to reconstitute its commission or transfer enforcement powers to an executive agency in order to satisfy the separation of powers requirements.

Contribution limits may also have to be reestablished in those states in which contribution limits are a percentage of overall candidates expenditure limits. Although the Court ruled that contribution limits are constitutional, the expenditure limits on which they are based are not valid. It may be necessary, therefore, for those states affected to enact sums certain as contribution limits.

Although the Court decided that disclosure and record-keeping provisions in the FECA are constitutional, it left open the possibility of future challenges by minor parties who can show that compelled disclosure of contributors' names will subject them to harassment. State laws which compel such disclosure may also be challenged by minor parties.

Because the Supreme Court upheld public financing of presidential elections through a system of voluntary tax check-offs, similar provisions for financing of state elections through tax incentives are presumably valid unless forbidden by state constitutions.

A number of Leagues have been affected by state laws imposing limitations on political expression which are much more restrictive than those imposed by the federal law. For instance, some Leagues have been advised that their state laws require disclosure by voter information groups or in some cases prohibit voters service activity on the theory that the dissemination of such information might influence the nomination or election of a candidate for office. However, the Supreme Court in Buckley narrowly interprets the disclosure requirements of the FECA to include only those groups which advocate the election or defeat of a clearly identifiable candidate. By implication, provisions in state laws which treat groups like the League as though they were organizations advocating a particular election result are probably unconstitutional.

#



LEAGUE OF WOMEN VOTERS
OF MINNESOTA

PHONE (612) 224-5445
555 WABASHA • ST PAUL, MINNESOTA 55102

action

CAMPAIGN FINANCING

ACTION ALERT

TO: Local League Action Chairpersons
FROM: Jean Reeves, State Election Laws Chairperson
RE: Federal Elections Commission:
Action in light of Supreme Court Decision
February 20, 1976

Action on this must be PROMPT!

Please inform your members of court decisions from LWVUS
memo - we must be aware of the effect of the decision on
state laws. Look for more on this later.

Federal Election Commission
Washington, D.C. 20463

Penalty for Private Use \$300
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The FEC and The Federal Campaign Finance Law

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Federal Election Commission



Federal Election Commission

The Federal Election Campaign Act (the Act) deals with the financing of campaigns for Federal elections. This law affects candidates for the U.S. House of Representatives, the U.S. Senate and the Presidency, and the political committees which support them. The Act provides for: disclosure of the sources and uses of funds for Federal elections; limits on contributions; and public financing of Presidential elections. The provisions of the Act are administered and enforced by the Federal Election Commission (FEC), an independent regulatory agency.

This brochure includes background on the Commission, a brief summary of the Act and a description of how the Commission administers it. The brochure is not intended to be, and is not, exhaustive in its descriptions. Should you require further information, contact the Federal Election Commission.

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
In Washington: 523-4068
Toll Free: 800-424-9530

The Commission



History

The need for campaign finance reform has long been recognized. As early as 1907, Theodore Roosevelt recommended public financing of Federal elections and a ban on private contributions. The Corrupt Practices Act of 1925 attempted to deal with these issues by requiring disclosure of campaign finances, but because it was not specific and inclusive, it was difficult to enforce. In 1972, Congress adopted the Federal Election Campaign Act, a more comprehensive disclosure law requiring candidates and committees to file detailed reports, and designating three supervisory agencies to collect and monitor the campaign finance reports. It also established public financing for Presidential candidates in the general election. In 1974 and 1976, Congress amended the Act to establish, additionally, public financing of Presidential primary elections, limits on campaign contributions and an independent body to oversee the campaign finance law. The Federal Election Commission officially opened its doors on April 14, 1975.

Commissioners

Six Commissioners are appointed by the President to serve staggered, six-year terms. No more than three members of the Commission may be affiliated with the same political party. A chairman and a vice chairman, each from a different political party, are elected every year by their fellow Commissioners. The Secretary of the Senate and the Clerk of the U.S. House of Representatives serve as Ex Officio, nonvoting members of the Commission.

Meetings

Required to meet at least once a month, the Commission usually meets once or twice a week. The dates and agendas of meetings are published in the *Federal Register* in compliance with the requirements of the Sunshine Act. All meetings are open to the public with the exception of those portions of meetings dealing with pending compliance cases, pending audits, and staff personnel matters.



Highlights of the Law

The following highlights merely summarize the major provisions of the Act. Candidates, political committees and any one else affected by the Act should not, therefore, rely solely on this brochure but should contact the Federal Election Commission for more detailed information.

Public Financing

Under the Act, public money is provided for eligible Presidential candidates in primary and general elections. Public funds are also available to the national party committees for their nominating conventions. Spending limits are imposed on candidates and committees receiving public funding.

Public Disclosure

Candidates and committees must file periodic reports disclosing their campaign finance activities. These reports are available to the public for review and copying.

Contribution Limits and Prohibitions

Under the Act, contributions include gifts of money, loans and gifts of goods or services. Volunteer work, however, is not considered a contribution.

The Act *prohibits* the following kinds of contributions made in connection with any Federal election:

- Contributions made from the treasuries of national banks, corporations and labor organizations.
- Contributions from Government contractors.
- Contributions from foreign nationals who are not permanent residents of the United States (green card holders).
- Contributions of cash (currency) from one person which, in the aggregate, exceed \$100 per campaign period.
- Contributions supplied by one person, but made in the name of another person.
- Contributions in excess of limitations (see below).

Contribution Limitations

| | To each candi- date or candidate committee per election | To national party committee per calendar year | To any other political committee per calendar year | Total per calen- dar year |
|---|---|---|--|------------------------------------|
| Individual may give: | \$1,000 | \$20,000 | \$5,000 | \$25,000 |
| Multicandidate Committee* may give: | \$5,000 | \$15,000 | \$5,000 | No limit |
| Other Political Committee may give: | \$1,000 | \$20,000 | \$5,000 | No limit |

*A multicandidate committee is a political committee with more than 50 contributors which has been registered for at least six months and, with the exception of State party committees, has made contributions to five or more Federal candidates.

Independent Expenditures

An "independent expenditure" is one made for a communication which expressly advocates the election or defeat of a clearly identified candidate and which is not made with any direct or indirect cooperation, consent, request or suggestion or consultation involving a candidate or his/her authorized committee or agent. There is no limit on the amount or frequency of independent expenditures, but the person making independent expenditures must report them when they exceed \$100 per calendar year.

Special Expenditure Limits for Party Committees

National and State party committees, in addition to making contributions directly to candidates, may each make limited expenditures on behalf of their party's nominees (for Senate, House and Presidency) in the general election.

Enforcement

The Commission has exclusive primary jurisdiction with respect to the civil enforcement of the Act.

How the Commission Administers the Act

Public Financing

The FEC administers public financing of Presidential elections by certifying:

- Matching payments to primary candidates;
- Public grants to nominees in the general election; and
- Public grants to the national party committees for their nominating conventions.

Public financing is provided through the Presidential Election Campaign Fund which consists of dollars voluntarily checked off by taxpayers on their Federal income tax returns. (The check-off does not affect the total amount of taxes paid by an individual or any refund received.)

Requests for public funds are reviewed for eligibility and certified by the FEC to the Department of Treasury, which in turn disburses the public funds.

Primary Matching Payments

Eligible Presidential primary candidates may receive public funds to match small contributions of money (e.g., checks) from private contributors. (Loans, in-kind contributions and contributions from committees are not matchable.) To be eligible for matching payments, a candidate must first raise in excess of \$5,000 in contributions of \$250 or less from individuals in 20 different States and must agree to limit expenditures to \$10 million plus a cost-of-living adjustment (COLA).

General Election Grants

Each major party Presidential nominee becomes eligible for a public grant of \$20 million (plus COLA) for campaigning in the general election. The candidate must limit expenditures to that amount and may not accept *any private contributions* for the general election except for a special account maintained exclusively to pay certain legal and accounting fees. Qualified minor or new party candidates are eligible for proportionate or retroactive payments.



Party Convention Grants

Each major political party is entitled to up to two million dollars (plus COLA) to finance its national Presidential nominating convention. Qualified minor party conventions are funded on a proportionate basis.

Repayment of public funds is required in cases where the amount of public funds received exceeds the amount to which the candidate or convention committee is entitled; where spending limits are exceeded; where public funds are used for purposes other than "qualified" expenditures; or where public funds remain after debts and obligations have been paid.

Disclosure

Candidates and Committees Register and File Reports

An individual who becomes a candidate for Federal office and a group or organization which becomes a political committee supporting Federal candidates are subject to the provisions of the Act. They must register and file periodic disclosure reports on their campaign finance activities with the Clerk of the House, the Secretary of the Senate or the FEC. Additionally, they must file with the Secretary of State, or equivalent State officer, in the State(s) where nomination or election is

sought or where committee headquarters are located.

An individual becomes a candidate either by taking the necessary action under State law to qualify for nomination or election to Federal office or by receiving contributions or making expenditures (or authorizing someone else to do so) with a view toward bringing about nomination or election to Federal office. If either of these criteria is met, the individual is a candidate under the Act, even when the intention to seek Federal office has not been publicly announced.

A committee, club, association, or other group of persons becomes a political committee if it receives contributions or makes expenditures (or anticipates doing so) exceeding \$1,000 in a calendar year to support one or more Federal candidates.

If you are anticipating running for Federal office or forming a political committee to support Federal candidates, call the FEC 800 LINE for further information. Information specialists will answer your questions and, if necessary, provide you with brochures and reporting forms. (800-424-9530)



Reports Available to Public

All campaign finance reports filed by Federal candidates and committees are available for review and copying at the Federal Election Commission. The FEC maintains a complete set of reports from 1972 to the present. Additionally, in each State, the Secretary of State or appropriate elections official makes available to the public the reports of Federal candidates and political committees active within their State.

Reports are made public within 48 hours after their receipt. They contain detailed campaign finance information, including itemized accounts of contributions and expenditures in excess of \$100 and debts and obligations owed to or by the candidate or committee.

Monitoring the Law

Information

The FEC places a high priority on helping candidates and committees understand and comply with the Act. The effort begins by prescribing regulations implementing the Act and providing candidates and committees with the publications, forms and assistance they need to report correctly and otherwise comply with the provisions of the Act and the regulations. Continuing its effort, the Commission issues advisory opinions to Federal candidates, political committees and Federal

officeholders who raise questions about specific factual situations.

Reviews and Audits

Staff members review the filed reports to determine whether they include all the required information. In addition, the Commission is required to audit candidates and committees from time to time.

If an omission or an error is found in a report, the Commission sends the reporting candidate or committee a routine notice requesting additional information or a correction. If the candidate or committee fails to respond, the reporting problem may become subject to formal FEC enforcement procedures.

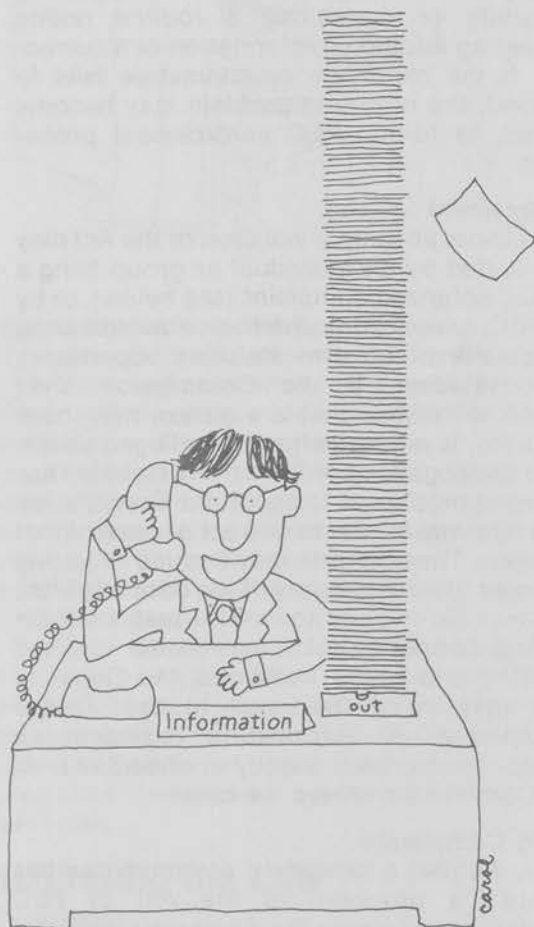
Enforcement

Complaints alleging a violation of the Act may be initiated by an individual or group filing a formal, notarized complaint (see below), or by the FEC, based on information obtained during the course of its own statutory supervisory responsibilities. If the Commission finds reason to believe that a violation may have occurred, it will investigate the alleged abuse. If the investigation confirms that a violation has occurred or is about to occur, the Commission uses informal efforts to correct or prevent that violation. These efforts may include requiring payment of a civil penalty. If the efforts fail, the FEC may file civil suit against the respondent in Federal District Court. If any matter involves knowing and willful violations, the Commission may refer the case to the Justice Department. All information regarding an enforcement case is strictly confidential until the Commission closes the case.

Filing Complaints

If you believe a candidate or committee has violated a provision of the Act or FEC regulations, you may file a complaint with the FEC. The complaint must contain the name, address, and telephone number of the person making the complaint; a clear statement of the facts; and evidence concerning the alleged violation. All complaints must be signed by the person making the complaint, must be notarized and must include a statement as to whether or not the complaint is being made on behalf of or at the suggestion of any other person. Complaints should be filed with the Office of General Counsel at the FEC.

How To Get More Information



Write, Call or Visit

Public Communications Office
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
In Washington: 523-4068
Toll Free: 800-424-9530

Free Publications

- Federal Election Campaign Laws*
- FEC Regulations*
- The FEC Record* (monthly newsletter)
- Campaign Guide Series* (a separate guide each for candidates, political committees and party committees)
- Bookkeeping and Reporting Manual*
- Annual Report* (Unlike the other publications, available from the Superintendent of Documents, \$2.50.)

Registered Federal candidates and political committees automatically receive copies of these publications. Anyone else interested in being placed on the FEC mailing list or in receiving one of the above publications should contact the Public Communications Office.

Advisory Opinions

To answer questions relating to specific factual situations, the Commission responds to written requests for advisory opinions submitted by candidates, Federal officeholders and political committees. Advisory opinions are summarized in the FEC's monthly newsletter, the *Record*. Copies of the opinions themselves are available from the Public Records Office.

Library

The FEC library is open to the public on weekdays between 9 a.m. and 5 p.m. The collection includes basic legal research resources, with an emphasis on political campaign financing, corporate and labor political activity, and election and campaign reform.

Clearinghouse

The Act provides for a National Clearinghouse for Election Administration Information. The Clearinghouse compiles and disseminates election administration information to assist Federal, State and local election agencies in developing efficient election systems.

Research studies include, but are not limited to: methods of selecting election board officials, voter registration, and vote counting methods. The reports produced by the Clearinghouse are available to the public at cost. For a list of publications and their prices, contact the Clearinghouse in Washington, D.C.—523-4183 or toll free 800-424-9530.

How to Get Information on Related Topics

Listed below, for your convenience, are some topics related to Federal elections and the appropriate agency to contact for more information. The FEC has no jurisdiction over these areas:

Ballot Questions

How to get on the ballot: Secretary of State in State where candidacy is desired
Absentee ballots in U.S.: Secretary of State or county election official in voter's State
Absentee ballots overseas: Defense Department, Voting Assistance Task Force

Communications Issues

Equal time provisions, equal access to media and editorial replies: Federal Communications Commission, Fairness/Political Broadcast Branch

Political Activity of Government Employees

Federal employees: Civil Service Commission (Hatch Act)
House employees: House Standards of Official Conduct Committee
Senate employees: Senate Ethics Committee
State employees: Secretary of State in employee's State

Tax Issues

Tax deductible contributions: Internal Revenue Service
Tax checkoff: Treasury Department

Vote Issues

Tabulation of the popular vote: Secretary of State in each State
Voter fraud or violation of voting rights: Justice Department or State election agency

How to Obtain Copies of Reports and Other Information

The Public Records Office, located on the street floor of the Federal Election Commission, is open for public use weekdays from 9 a.m. to 5 p.m., and evenings and weekends during heavy reporting periods. The office is a library facility with ample work space and a knowledgeable staff to help locate documents. The FEC encourages you to review the many documents which are available:

- Campaign finance reports (1972-present) filed by candidates for Federal office (Presidency, Senate and House of Representatives) and political committees which support them;
- Statistical summaries of campaign finance reports;
- Computer indexes and cross indexes to locate documents;
- Advisory Opinion Requests and Advisory Opinions;
- Completed compliance cases;
- Audit reports;
- Press releases;
- Commission memoranda, agendas of all Commission meetings, agenda items, and minutes.

The public is urged to come into the office. Those outside the Washington area may request documents by phone or mail. When identifying the documents you want, please try to include as much information as possible, such as the full name of the candidate or political committee reporting, the date or type of report or document desired, and your address and telephone number. The Commission charges 10 cents per page copied.

Sometimes a preliminary phone call can help you pinpoint your request and thereby expedite the Commission's response. Call the Public Records Office at 523-4181 or toll free 800-424-9530.

For any other information, call the Public Communications Office at 523-4068 or toll free 800-424-9530.



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

To: All State Legislators
From: Erica Buffington, Government Co-Chair
Re: Areas of LWVMN concern in SF 1006, Registration and Ethical Disclosure Act
Date: February 15, 1978

The problem areas in this bill are in Sections 73, 75 and 77.

Sections 75 and 77 deal with the complicated question: are public tax check-off moneys and the provision of tax credits considered to be forms of public financing. Our League of Women Voters of the United States' position is that both are forms of public financing, and we (LWVMN) support this concept. Therefore, it would be inconsistent to permit candidates to rescind an agreement filed as a prerequisite for the receipt of tax check-off money, but on the other hand, prohibit them from rescinding an agreement filed as a prerequisite for the receipt of tax credit vouchers.

Sections 73 and 77 are of concern because as presently written the incumbent is favored. It would be assumed that non-campaign expenditures are basically constituent services, and since only an incumbent would have constituents, this would be a way of allowing them to use more money to influence the electorate. A non-campaign expenditure could also mean a transfer of funds from one principle campaign committee to another. Both could have the effect of perpetuating "safe districts" where a challenger would never stand a chance of winning.

The LWVMN is primarily interested in seeing a fair campaign financing bill pass this session, and it is hoped that changes in the above-mentioned sections will occur prior to SF 1006's reaching the Governor's desk.



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555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

To: All State Legislators
From: Erica Buffington, Government Co-Chair
Re: Capitol Letter, February 1, 1978, SF 1006
Date: February 15, 1978

The information in the February 1, 1978, Capitol Letter concerning SF 1006, Registration and Ethical Disclosures Act, was incomplete, and as a result, the League of Women Voters of Minnesota does not support SF 1006 as it is currently written. When the article for the Capitol Letter was written, I did not have the latest version of SF 1006 that passed the Senate Committee on Elections. Amendments added here and there can make all the difference as far as LWV support is concerned.

Our primary concern is having a campaign financing bill pass this session that meets all the criteria handed down by the 3-judge panel and one that makes our government more accountable, more representative, and more responsive to all of our citizens. Unfortunately, SF 1006 as it is currently written, does not satisfy those concerns. On the following page are some of the problems and concerns that the LWV sees in SF 1006.



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

To: Local League Presidents
From: Erica Buffington, Government Co-chair
Re: Areas of LWVMN concern in SF 1006, Registration and Ethical Disclosure Act
Date: February 15, 1978

The problem areas in this bill are in Sections 73, 75 and 77.

Sections 75 and 77 deal with the complicated question: are public tax check-off moneys and the provision of tax credits considered to be forms of public financing. Our LWVUS position is that both are forms of public financing, and we support this concept. Therefore, it would be inconsistent to permit candidates to rescind an agreement filed as a prerequisite for the receipt of tax check-off money, but on the other hand, prohibit them from rescinding an agreement filed as a prerequisite for the receipt of tax credit vouchers.

A tax credit voucher is issued by the candidate to any individual who contributes to his campaign committee. This voucher is then attached to the individual's state income tax return so that a credit may be taken.

The League favors a mixed system of private and public funding of campaigns that encourages small individual contributions; increases the use of tax credits and deductions and the income tax check-off; and makes additional government funds available to bona fide candidates.

Sections 73 and 77 are of concern because as presently written, the incumbent is favored. It would be assumed that non-campaign expenditures are basically constituent services, and since only an incumbent would have constituents, this would be a way of allowing the incumbent to use more money to influence the electorate. A non-campaign expenditure could also mean a transfer of funds from one principle campaign committee to another. Both could have the effect of perpetuating "safe districts" where a challenger would never stand a chance of winning.

The LWVMN is primarily interested in seeing a fair campaign financing bill pass this session, and it is hoped that changes in the above-mentioned sections will occur prior to SF 1006's reaching the Governor's desk.

spending limits on campaigns. Senate Republicans who successfully filibustered against the public financing sections of S. 926 gave several reasons for their opposition. Concerned over their party's minority status in Congress, they claimed that spending limits would prevent challengers from using funds to overcome incumbents' advantages—name recognition and perquisites of office. They stressed that the bill limited money contributions only, with no comparable restrictions on the people-power efforts of traditionally Democratic labor unions. Some opponents also noted that primaries, often the most heated contests, were not covered.

House opposition to public financing coalesced against proposals in H.R. 11315 that would have reduced from \$30,000 to \$10,000 the amount national, congressional and state party committees combined could contribute to a federal candidate in an election year. (The bill also would have lowered from \$20,000 to \$5,000 the total amount these committees could spend on behalf of a candidate.) Republicans, who count on rich party coffers to bolster their campaigns, saw the limitations as a partisan Democratic effort, and that brought an end to public financing in the 95th Congress.

Most observers agree that contribution and spending limits are a sticky problem and that expenditure limits should not be so low as to restrict the ability of candidates to communicate with voters. Herbert E. Alexander of the Citizens Research Foundation, an organization that explores the role of money in politics, has suggested one way to get around these problems: a public funding program that sets spending floors rather than ceilings. The government would contribute funds to candidates up to an established limit, beyond that limit, candidates could spend as much private money as they could raise. Alexander argues that a mixture of private and public funds would not only assure visibility and equity in campaigns but also gives the private citizen "a sense of participation in the political process."

Problems with the FEC

The FEC has a difficult job administering a complex law. Criticisms of its performance have fallen into four categories.

Partisanship. Designed to be nonpartisan, the FEC is made up of three Democrats and three Republicans. It is almost inevitable that some issues before it are viewed with partisan eyes. For example, the commission's three Republicans almost always voted together whenever questions of labor union activity were debated. Another issue that split the commission along partisan lines was the request by independent presidential candidate Eugene McCarthy that his campaign committee be considered an independent political party. A ruling in McCarthy's favor would have made his party eligible for increased contributions and public financing. But the commission's vote split down party lines, with the three Republicans supporting McCarthy and the three Democrats opposed, and no ruling was issued. At the time of the vote, McCarthy's candidacy was seen as taking Democratic votes from Jimmy Carter and thereby helping President Ford.

Inconsistent answers. The campaign button controversy is an illustration of a case in point. The FEC told candidate Koch he could distribute his "Carter-Mondale-Koch" campaign buttons without declaring their costs as a contribution to the Carter campaign. Yet, in another decision, the FEC ruled that a brochure with a picture of a candidate and Carter was to be "construed as a contribution-in-kind" to the Carter campaign.

The FEC's dealings with the League of Women Voters Education Fund's (LWVEF) funding of national candidate debates offers another example of shifting guidelines. The basic issue involved corporate or union donations to nonpartisan organizations like the LWVEF for administering debates. Technicalities prevented the LWVEF from seeking an official opinion from the FEC about primary candidate forums, but an informal FEC policy opinion allowed the LWVEF to use corporation funds for those forums. Immediately before the LWVEF debates between Jimmy Carter and Gerald Ford, the FEC issued another policy statement prohibiting the LWVEF from accepting corporate or union donations specifically to fund the debates. In another turnaround, in December 1977, the FEC issued, but has not

yet sent to the Hill for approval, a proposed regulation that would allow tax-deductible organizations such as the LWVEF to administer candidate nights and forums for federal candidates using corporate, union and foundation donations.

Difficult paperwork. The FEC's multiple filing dates and complex report forms have caused recurrent criticism. The Ford-Dole campaign committee spent \$600,000, and the Carter campaign \$500,000 for accounting and legal fees to insure that they complied with regulations. An FEC survey of congressional candidates found that less than half felt the advantages of a detailed public accounting system outweighed the additional time, personnel and expense.

Inadequate investigative capacity. Almost two years after the election, the FEC had not completed the audits of all the 1976 campaigns. Commission officials were quoted as being "worried" and "skeptical" about the FEC's capacity to administer and monitor all congressional campaigns if they were subject to audit processes similar to presidential campaigns.

Action in the courts

As Congress debated the extension of campaign finance regulations, two recent developments have shifted the attention and concern of campaign reformers to the federal courts. The first is the decision in *First National Bank of Boston v. Bellotti* in which the Supreme Court overturned a Massachusetts state law barring corporations from making cash contributions to influence the outcome of ballot referenda. The Court reasoned that "the inherent worth of (free) speech in terms of its capacity for informing the public does not depend upon the identity of its source, whether corporation, association, union, or individual." Although the court indicated its willingness to continue its ban on corporate contributions to candidates, some analysts believe that it would be an easy step for the court to accept the right of corporations to make independent expenditures advocating the election or defeat of a candidate.

The second development is a suit filed June 19, 1978 by the Republican National Committee (RNC) challenging the constitutionality of the FECA provisions prohibiting presidential candidates who accept public funds from receiving private contributions. RNC Chairman William Brock announced his party's belief that the ban on private contributions violates citizens' rights to participate in presidential politics and is inequitable in its effects because it does not place similar bans on people-power efforts. A decision in favor of the RNC would reopen presidential general elections to private contributions and change the direction of the debate over public financing of congressional races.

The story of campaign finance reform continues to unfold in Congress, in the FEC and in the Courts. It is obvious that the final page has not yet been written.

Sources

Readers interested in pursuing the complex issues involved in the regulation of federal election campaigns that are discussed here only briefly may consult the following sources.

Campaign Finance Law '78, compiled for the Clearinghouse on Election Administration, FEC. Available from the National Technical Information Service, Springfield, Virginia 22161. #PB-279 516. Free. Campaign finance laws for federal, state and local offices presented in a series of summaries and charts. Legislation to January 1, 1978.

Federal Election Campaign Laws, compiled by the FEC, June, 1976. Available from the FEC, 1325 K Street, N.W., Washington, D.C. 20463. Free. Text of the FECA and other relevant laws.

Alexander, Herbert E. *Financing Politics*, Money, Elections, and Political Reform, 1976. Congressional Quarterly Press, 1414 22nd Street, N.W., Washington, D.C. 20037. \$4.75. The history of campaign financing up to the 1976 amendments to the FECA.

Researched and written by Sheri Lanoff and Sherry Currens, staff specialists, LWVEF Government Department

Report card on campaign financing

Students of campaign financing laws have had a difficult text to follow recently. Between 1971 and 1976, the ground rules governing federal elections have changed three times. The major overhaul began in 1971 when passage of the Federal Election Campaign Act (FECA) repealed the hopelessly out-of-date Corrupt Practices Act (see box). The FECA reestablished campaign contribution and spending limits and required public disclosure of campaign budgets. That same year, the 1971 Revenue Act provided the mechanisms for dollars to reach campaign chests by allowing federal income-tax credits or deductions for political campaign contributions and by setting up a tax check-off on federal income-tax forms to subsidize presidential campaigns.

The FECA has been amended twice since 1971. In 1974, amendments enacted in the midst of Watergate revelations about funding abuses during the 1972 presidential campaign were designed to strengthen the act by further limiting campaign spending for all federal offices, creating a Federal Election Commission (FEC) and providing government funds for presidential primaries and general elections. In 1976, amendments were enacted in response to the Supreme Court ruling, in *Buckley v. Valeo*.

This CURRENT FOCUS:

- ☐ explains major provisions of the Federal Election Campaign Act and the 1971 Revenue Act;
- ☐ reviews the effect of campaign finance reform on the 1976 elections; and
- ☐ discusses the direction of current efforts to change the FECA.

Financing of federal election campaigns continues to be a complex subject. Keep in mind that campaign laws discussed here apply only to the federal-level candidates for president, vice president, U.S. Senator and Representative and that only presidential campaigns are publicly funded. All states except North Dakota have laws that govern campaign financing for candidates for state and local office.

What's in the law?

The acts regulating federal campaign financing have five major features. The FECA, as amended:

- ☐ defines campaign contributions and expenditures;
- ☐ designates who may contribute, how much they may contribute, and how much may be spent on a campaign;
- ☐ sets requirements for reporting sources and amounts of campaign contributions and expenditures;
- ☐ establishes the FEC to monitor compliance with the laws and its regulations.

The Revenue Act of 1971:

- ☐ establishes a fund for public financing of presidential campaigns.

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Definitions

Three terms are essential to an understanding of campaign finance laws and regulations.

Contributions. Under FECA regulations, a contribution is anything of value given to a candidate, political committee or political party. It can be money or a "contribution-in-kind" such as securities, facilities, equipment, personnel or membership lists. All contributions-in-kind must be assigned a monetary value (set at fair market prices) and included in the total sum of campaign contributions.

Contributions to federal candidates from corporations, unions, treasuries of national banks, government contractors, and foreign nationals who are not permanent U.S. residents are specifically prohibited. However, unions and corporations may establish and administer political action committees (PACs), such as the Committee on Political Education of the AFL-CIO, AMPAC of the medical profession, and business and industry's BIPAC, to collect voluntary contributions which may then be contributed to candidates, committees or political parties.

Expenditures. Anything spent by a candidate or a committee—purchases, payments, loans to other candidates—is a campaign expenditure. Some activities on behalf of a candidate are not considered campaign expenses. For example, nonpartisan activity designed to get out the vote is generally not considered a campaign expenditure. A volunteer may spend up to \$500 of his/her own funds to travel on behalf of a candidate without it counting as a campaign expenditure.

Independent expenditures. Purchases or payments made by individuals unaffiliated with the candidate or committee are called independent expenditures. This distinction between independent expenditures and expenditures authorized by the candidate becomes important when limits on contributions and expenditures are discussed.

It is sometimes difficult to distinguish between campaign contributions and expenditures. Although at first glance this seems to be clear cut, it is not always so. For example, if a congressional candidate links his/her name to a presidential or vice-presidential candidate on campaign material, as Edward Koch did in his 1976 congressional campaign in New York, should the cost of campaign buttons for "Carter-Mondale-Koch" be considered a campaign contribution to the Carter campaign or simply one of Koch's expenditures? Are party efforts on behalf of a candidate expenditures or contributions? Are the "independent efforts" (television time, newspaper publicity) made by private individuals on behalf of a candidate to be considered contributions to a candidate's campaign if the candidate has no say in the way the funds are to be spent? The solution was to label these "independent expenditures."

Table 1: Contribution limits

| | RECIPIENT | | | |
|---|---|--|--|----------------------------|
| | CANDIDATES/ CANDIDATE CAMPAIGN COMMITTEES | MULTI- CANDIDATE COMMITTEES (PACs) | PARTY COMMITTEES— NATIONAL, STATE, CONGRESSIONAL | TOTAL |
| CANDIDATES | Unlimited (except for presidential candidates who accept public funds) | See "other individuals" | See "other individuals" | See "other individuals" |
| OTHER INDIVIDUALS | \$1,000 candi- date/election | \$5,000/year | \$20,000/year | \$25,000/ year |
| MULTI- CANDIDATE COMMITTEES (PACs) | \$5,000 candidate/ election | \$5,000/year | \$15,000/year | No limit |
| PARTY COMMITTEES (National, state, con- gressional) | Senate: \$17,500/year House: \$5,000/ election | Not applicable | No limit | No limit |
| CORPORA- TIONS, UNIONS | Not allowable | Administrative and fund- raising costs of PAC | Not allowable | Not allowable |

Limits

The FECA sets limits on contributions and expenditures to reduce the potentially corrupting influence of heavy contributions and to control rising campaign costs.

Candidates, other individuals, multi-candidate committees, party committees, corporations, and unions are restricted by the contribution limits shown on Table 1. In its 1976 decision in *Buckley v. Valeo*, the Supreme Court decreed that no candidate could be limited in the amount he/she contributed to his/her own campaign. The exception to this rule is presidential candidates who accept public funds. During primary campaigns, presidential candidates may supplement contributions from other individuals with their own money as long as they do not exceed the overall spending limit set for primaries. During general elections, presidential candidates who accept public funds may not make personal contributions or accept private contributions.

As Table 2 shows, the FECA exerts fewer controls over expenditures than over contributions. Personal committees set up by candidates are not covered by spending limits. Political parties, including national committees and congressional campaign committees of national committees, spending on behalf of candidates in general elections, are limited. These limits are adjusted yearly by increases in the cost of living and in the number of voters in each jurisdiction.

The 1974 amendments tried to limit independent expenditures but these limits, too, were struck down in *Buckley v. Valeo* as violations of the right to free speech.

Reporting requirements

Technically, an individual does not have to announce his/her intention to seek federal office to be covered by the reporting requirements of the FECA. If contributions are received by an individual or committee, and if money is spent to seek nomination, the individual or committee must file with the FEC.

The FECA requires that candidates spending over \$1,000 per year identify contributors, contributions and expenditures. The reports are filed on dates set by the FEC and are submitted to the FEC, state officials, and the Clerk of the House or the Secretary of the Senate.

Independent expenditures over \$100 must also be reported; the reports must indicate whether the expenditure was made in support of or opposition to a candidate.

The Federal Election Commission

The FEC, a six-member bipartisan commission whose members are appointed by the President and confirmed by the Senate, is responsible for administering federal election laws and the public financing of presidential campaigns. It has the power to promulgate regulations (which can be vetoed by Congress), to conduct campaign audits and investigations, and to seek civil injunctions to enforce provisions of the campaign finance law. The FEC reports criminal violations of the act to the Justice Department for prosecution.

Public financing of presidential campaigns

The Revenue Act of 1971 established a fund to finance *presidential* campaigns. The fund receives contributions through the \$1.00 tax check-off on federal income-tax forms; funds are distributed to candidates in primary and general elections.

Primaries. Any candidate who receives at least \$5,000 in donations of \$250 or less in each of twenty states is eligible to receive matching funds for presidential primary campaigns. The fund matches each qualifying contribution until the total amount of matching funds equals 50 percent of the candidate's expenditure limit for primary elections.

General elections. Any presidential candidate on the ballot in at least ten states is eligible for public funds in the general election. Presidential candidates for the two major parties get a sum equal to the expenditure limits for presidential candidates (see Table 2). Minor-party candidates whose party received at least 5 percent of the vote in the last presidential election get a ratio of the amount allotted to a major candidate, based on the actual number of votes received. Independent candidates who ran in a previous presidential

Table 2: Expenditure limits

| OFFICE | AUTHORIZING COMMITTEE | PRIMARY | GENERAL |
|-----------------------------|--------------------------|---|---|
| PRESIDENT | | Limits apply only to candidates accepting public funding \$10 million total ^a 16¢ × V.A.P. ^b in each state | \$20 million total ^a |
| | Campaign | \$50,000 in personal funds for total primary and general election | |
| | Party | Not applicable | National: 2¢ × V.A.P. ^b |
| SENATE | Campaign | No limit | No limit |
| | Party | Not applicable | 2¢ × V.A.P. of state ^b |
| HOUSE OF REPRESENTATIVES | Campaign | No limit | No limit |
| | Party | Not applicable | \$10,000 per candidate in multi-candidate state in general election The greater of 2¢ per V.A.P. or \$20,000 in single candidate state |

^aRaised by cost-of-living increase

^bV.A.P. = Voting Age Population

election get funds in the same way as minor party candidates. Any independent candidates not on the ballot previously, or any candidates for new parties, who get five percent of the vote in the general election receive payment after the general election, based on the percentage of the vote they received. All presidential candidates who accept public funding must agree to reporting and auditing requirements.

The law and the '76 election

Only one federal election has been held since the FECA was amended in 1976. While political scientists warn against conclusions based on only one experience, it is possible to observe some differences between 1976 and preceding elections.

The presidential campaign

The availability of public funds lessened the burden of raising funds for candidates and parties in three ways:

□ A total of \$24.6 million in matching funds was made available to 15 qualified candidates of the 100 who applied. Each candidate could have received up to \$5.45 million. Democrats received 60 percent of all matching funds, reflecting the larger number of primary candidates in their party.

□ It was not necessary for parties to seek funding for nominating conventions. The FECA provides up to \$2.18 million for conventions; in 1976 \$2.01 million went to the Democrats and \$1.5 million to the Republicans for their nominating conventions. This compares with 1972 figures of \$1.7 million for the Democrats and \$1.9 million for the Republicans, all raised by private donations.

□ Jimmy Carter and Gerald Ford each received \$21.8 million in public funds for their general election campaigns, in exchange for which they gave up the right (and the burden) of seeking private contributions—a striking change from the 1972 election campaign, which has become notorious for the number of illegal corporate donations and for the large sums contributed by individual donors.

As a result of the FECA, the \$43.6 million total expenditure for the 1976 presidential election was substantially lower than that for the 1972 McGovern and Nixon campaigns, which spent \$30 million and \$60 million, respectively. One result of the smaller sums available for campaigning was that both the Ford and Carter campaigns spent a large proportion of their budgets on mass-media advertising in order to gain as much impact from their dollars as they could.

The FECA has received high marks for curbing the questionable campaign practices evident in the 1972 presidential election and for providing the opportunity for little known candidates to compete effectively. However, some analysts blame tight budgeting for the decrease of campaign activity, lower campaign exposure and the increase in public apathy that together produced lower voter turn-out in the 1976 election.

Congressional campaigns

It seems to be a political reality that once one loophole is closed, another opens in its place. Although contributions and spending declined for presidential campaigns, record-breaking amounts were contributed to and spent in House and Senate campaigns in 1976 compared to previous elections. In 1972, House and Senate candidates raised \$69.7 million and spent \$66.4 million. In 1976, contributions to Senate and House campaigns (including primaries) were \$104.8 million, and candidates and campaign committees spent \$90 million.

Increased PAC contributions. PACs, the political action committees formed by business, labor and other interest groups, contributed \$22.5 million to congressional candidates, almost twice as much as similar groups gave to 1974 campaigns. Most of this increase in giving was among business groups, which nearly tripled their 1973-74 figures. The largest PAC contributors were the dairy committees (\$1,362,939), the AFL-CIO (\$979,691), and the oil, natural gas and coal interests (\$809,508). Observers have found that PAC contributions were targeted primarily to incumbent candidates whose gratitude might benefit the contributor. For example:

A backward glance

Between 1925 and 1972, campaign spending was regulated by the infamous "more loophole than law" Federal Corrupt Practices Act of 1925. The act limited personal campaign spending in House and Senate election campaigns and required candidates to report their expenses, but its spending limitations were unrealistically low. Many expenditures were exempt from the limits, and committees acting on behalf of a candidate, but "without his knowledge and consent" were not required to report if their activities were intrastate. Evasion and avoidance were the rule, compliance was the exception.

□ PACs for banking and other financial interests distributed \$91,725 among 15 of the 17 members of the House subcommittee with jurisdiction over banking legislation;

□ Maritime union PACs gave a total of \$102,563 to 29 of the 40 members of the House Merchant Marine and Fisheries Committee; and

□ Health organization PACs gave a total of \$49,550 to 11 of the 13 members of the House Commerce Subcommittee on Health.

PACs also contributed to the defeat of incumbents whose reelection might be adverse to their interests. The American Medical Association's PAC, for example, gave \$100 to a Democratic member of the House Ways and Means subcommittee on health who was in favor of national health insurance; during the same election campaign, they gave \$10,000 to that candidate's opponent.

Advantage to wealthy candidates. The law allows congressional candidates to make unlimited personal contributions or loans to their own campaigns, giving wealthy candidates an enormous advantage. Fifteen Senate candidates gave their campaigns over \$50,000 in contributions or loans. H. John Heinz III, the successful senatorial candidate from Pennsylvania, loaned his campaign \$2.4 million, and 10 candidates for the House gave or loaned their campaigns at least \$100,000 each.

The future of campaign financing

The future direction of federal campaign finance regulation will be determined by Congress, by the FEC and by the courts. Most experts view the FECA with cautious approval but generally agree that further reforms are needed. Many analysts are concerned, for instance, that the current campaign finance laws provide incomplete and inconsistent regulation of federal election campaigns. Only presidential candidates are supported by public funds and only presidential candidates who accept public funds are limited in their campaign spending. The extension of public financing to congressional elections and the revision of FEC administrative rules are considered to be the next steps in campaign finance and election reform.

Deadlock in Congress

Before this year, the Senate twice passed bills for public financing of *congressional elections* but the House refused to go along. In the 95th Congress, legislation covering public financing and FEC procedures was again introduced in the House (H.R. 5157, H.R. 11315) and Senate (S. 926). By the date of this publication, S. 926 has been passed with no provisions for public financing and only minor revisions applying to the FEC. On two separate occasions, the full House refused to consider legislation to extend financing to congressional campaigns. An amendment attached to a bill authorizing funds for the operation of the FEC that would have provided public funds for 1980 congressional races was defeated on July 19, 1978. Reformers now see little hope for any further action in time for the 1982 elections.

Following precedents established for public financing of presidential campaigns, the legislation introduced in both Houses required candidates who accept public funds to comply with contribution and expenditure limits. Many who favored public funding of congressional campaigns in principle were still troubled by the effects of