

AB 583: The California Fair Elections Act

Public Financing of Secretary of State Campaigns

A.B. 583 (Hancock) would put a measure on the June 2010 ballot to create a pilot project to provide voluntary public financing for candidates running for Secretary of State in 2014 and 2018. The Secretary of State makes an ideal test for Fair Elections Funding because it will have a very low cost and would show whether it will work for statewide elections in California. It will assure voters that the elected official guarding the integrity of elections would have no need to raise private campaign contributions. AB 583 is patterned after the successful Clean Money systems now working in Arizona and Maine, adopted for California's electoral circumstances.

How Fair Elections Funding Would Work

To Qualify: Candidates have to receive 7,500 \$5 qualifying contributions and signatures from registered California voters to show that they have a broad base of support.

Fair Elections Candidates Receive: Enough baseline public funds to run competitive primary campaigns (\$1,000,000). If they win their primary they receive enough baseline public funds to run competitive general election campaigns (\$1,300,000).

"Fair Fight" Funds If Outspent: If Fair Elections Candidates are outspent by an opponent who does not participate or if independent groups attack them or support their opponent, they receive matching funds on a dollar for dollar basis within 24 hours to respond, up to total funding of 4 times the base amount, i.e. \$4,000,000 in a primary and \$5,200,000 in the general election.

Candidates Must: Agree to spending limits and take no private contributions other than limited seed funds that cannot be used during the election. Candidates will not be allowed to raise or spend additional money beyond what they receive from the fund.

Qualification and Funding Levels For Major Party Candidates*

Max seed money (\$100 max per contributor)	\$75,000
Required \$5 contributions and signatures from registered voters to qualify	7,500
Baseline Primary funding amount	\$1,000,000
Max Primary Election funding including matching funds	\$4,000,000
Baseline General Election funding amount	\$1,300,000
Max General Election funding including matching	\$5,200,000

*Third party and independent candidates require twice the normal number of qualifying contributions to "performance qualify" to receive full funding in the general election. They receive 25% of the base funding in the general election if they gather half the normal qualifying contributions (3,750).

How Funding Levels Stack Up With Previous Elections

AB 583's base funding levels are about the same as what the winning candidates spent in 2006. Its max funding including matching funds would have fully matched the highest spenders in both 2002 and 2006, assuring participating candidates a level financial playing field.

Paid For By Voluntary Tax Contributions and a Fee on Lobbyists

AB 583 is paid for by voluntary contributions designated on state tax returns and by a registration fee of \$350 a year on lobbyists, lobbying firms, and lobbyist employers, the same as in Illinois, raising an estimated \$8.0 M over four years. Currently lobbyists only pay \$12.50 a year.

For more information:

California Clean Money Campaign
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Provisions and Benefits

AB 583 Provisions

- Base funding levels are set near the same levels as winning Secretary of State candidates in 2002 and 2006 **to allow competitive races**. All performance-qualified candidates receive the same amount in the general election.
- Matching fund levels set high enough that they would have provided a full match with all Secretary of State candidates 2002 and 2006, **for a level playing field in almost all cases**.
- Qualifying contributions required scaled up on a per-voter basis from Arizona and Maine qualifying levels that have proven high enough to **exclude fringe candidates**.
- Allow third-party and independent candidates **the opportunity to qualify for full funds in the general election** if they gather twice the normal number of qualifying contributions.
- Require participating candidates to **engage in public debates**: two in the general election and one in the primary.
- Require Independent Expenditure Committees to report expenditures or entering into contracts to make an expenditure **within 24 hours**.
- Allow Fair Elections candidates to place a 250 word statement in the voter information portion of the sample ballot and requires all government websites to **identify Fair Elections candidates on the sample ballot** and in any list of people running for office.
- **Level the playing field across the entire election** by providing matching funds if primary candidates are attacked by high-spending private candidates from another party.

Why a Pilot Project?

- Poll after poll shows voter anger and frustration with the current governmental process. The Media constantly covers campaign contributions made to members of the Legislature and the Governor and implies that these contributions affect public policy.
- Running the pilot program for Secretary of State candidates will allow Fair Elections Funding to be tested in California in a low-cost statewide election for the official that directly supports and oversees our democratic process. It will demonstrate the Legislature's willingness to seriously tackle this thorny problem in a cost-effective manner.
- California is a large state, with expensive elections. While we know from experience in other states that the system proposed works, a pilot project for one election cycle will answer lingering concerns about the system's details at a reduced cost.
- A limited program will help uncover any unforeseen difficulties on a smaller scale and provide practical guidance in designing future public funding systems in California.
- Allowing Californians to actually experience a publicly funded election will help the public to make a more informed decision about the desirability of setting up a Fair Elections funding system for all statewide and legislative offices.

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