

**NLWJC - Kagan**

**DPC - Box 006 - Folder 016**

**Campaign Finance Reform - State  
Initiatives**

## MEMORANDUM FOR INTERESTED PARTIES

FROM: Paul Weinstein  
Carrie Filak

SUBJECT: **State Campaign Finance Reform Initiatives**

*File -  
campaign finance -  
state initiatives*

The following document provides a survey of campaign finance reform activities in various states. The survey includes initiatives from beginning with the 1992 cycle.

## State Campaign Finance Reform

### **Public Financing**

24 states have provide some public funding to candidates and political parties, enacted by either the state legislature or by ballot initiative.

#### 1992

- Prohibits public funding of election campaigns at the state and local level.  
Washington  
Passed; 1,549,297 (73%) for, 576,161 against

#### 1993

- Provided matching funds for qualifying candidates.  
New York  
Failed; 60,716 (35%) for, 114,876 against

#### 1994

- Provided partial public funding through matching funds of \$250 contributions or less.  
California  
Passed; 30,548 (55%) for, 25,226 against

#### 1996

- Established a scheme of public financing; The Maine Clean Elections Act. Requires that gubernatorial, State, Senate and State House candidates receive a certain number of \$5 contributions from individuals in order to be eligible for matching funds from the Clean Elections Fund. The amount available is equal to 25% less than the average expenditures per candidate in previous years. Matching funds are limited to 2 times the amount originally distributed.  
Maine  
Passed; 200,472 (52.3%) for, 182,743 against (47.7%)
- Endorsed the future creation of a system of public financing scheme for all state elections. Currently, a system public financing is not in effect.  
Massachusetts  
Passed; 326,256 (75.5%) for, 43,986 against, 61,729 abstained

### **Spending Limits**

#### 1994

- Set spending limits at \$200,000 for primary and \$100,000 for run-off mayoral elections, \$40,000 for primary and \$20,000 for run-off city council elections.  
California

Passed; 30,548 (55%) for, 25,226 against

- Created voluntary spending limits through a \$50 tax credit for contributors if the candidate complies with limits. Limits for primary elections at \$500,000 for Governor, \$200,000 for other statewide offices, \$30,000 for State Senate and \$20,000 for State House. General elections limits are \$1,000,000 for Governor, \$400,000 for other statewide offices, \$60,000 for State Senate, \$40,000 for State House.

Oregon

Passed; 851,014 (72%) for, 324,224 against

### 1996

- Established voluntary spending limits at 2 million for a candidate for governor, \$400,000 for a candidate for secretary of state, attorney general, or treasurer, \$100,000 for a candidate for lieutenant governor, \$75,000 for the State Senate and \$50,000 for the State House of Representatives and Board of Education.

Colorado

Passed; 926,591 for, 482,138 against

- Permits certified candidates to accept and spend contributions, reduced by any seed money contributions aggregating no more than \$500 per donor per election for gubernatorial candidates and \$250 for State Senate and State House candidates..

Maine

Passed; 200,472 (52.3%) for, 182,743 against

- Sought to establish voluntary spending limits of \$1.5 million for ballot measures.

Massachusetts

Failed; 84,783 (36%) for, 148,459 against

### Contribution Limits

45 states limit contributions to campaigns by individuals, PACs, corporations or unions. A 1994 survey conducted for the Conference on Campaign Reform showed that of the 1,808 people surveyed, 54% supported in-district contribution limits, which would require candidates to receive most of their donations from sources within their district.

### 1992

- Imposed a \$100 limit on campaign contributions to mayoral and citywide council candidates, total contributions by an individual limited to \$600.  
District of Columbia  
Passed; 122,502 (65%) for, 66,843 against
- Limited contributions to \$100 for state House, \$200 for Senate, and \$300 for other statewide candidates.  
Missouri  
Passed; 1,549,297 (73%) for, 418,630 against

### 1993

- Attempted to limit contributions to non-campaign committees to \$250 per year, and prohibit acceptance of contribution by non-campaign committee during six months preceding election.  
San Francisco, California  
Failed; 64,575 (49%) for, 68,067 against
- Placed all contributions under a \$500 limit previously adopted by the city.  
San Francisco  
Passed; 89,245 (68%) for, 42,202 against

1994

- Imposed contribution limits of \$500 for mayoral candidates and \$250 for City Council candidates per election.  
Long Beach, California  
Passed; 30,548 (55%) for, 25,226 against

1994

- Limited contributions to \$100 for State House, \$200 for Senate, and \$300 for other statewide candidates.  
Missouri  
Passed; 1,186,630 (74%) for, 418,630 against
- Imposed a \$100 contribution limit for legislative candidates and \$500 for statewide races. Limits political party contributions to \$25,000 for candidates for governor, \$10,000 for other statewide offices and \$5,000 for 1 legislative candidate.  
Oregon  
Passed; 851,014 (72%) for, 324,224 against
- Limits individual and PAC contributions to candidates for governor and lieutenant governor to \$400, \$200 for other statewide offices and \$100 for all other offices. Political party organizations are limited to \$15,000 for governor, \$5,000 for statewide offices, \$800 for senator and \$500 for all other offices.  
Montana  
Passed; 200,679 (63%) for, 129,983 against
- Sought contribution limits of \$100 for legislative races, \$500 for gubernatorial races, \$250 for lieutenant governor and PACs, and party limits of \$5,000 for legislative races, and \$25,000 for statewide races. 60% of candidates funds would have come from individuals.  
Colorado  
Failed; 508,029 (46%) for, 588,072 against
- Limited total contributions to \$5,000 to state and local candidates for primary and general election campaigns. Limits individual contributions to ballot question committees to \$5,000.  
Nevada  
Passed; 281,694 (77%) for, 83,174 against

1996

- Established contribution limits ranging from \$100 for local and legislative races to \$300 for statewide elections, the creation of citizen contribution committees and 100% tax credits for donations of \$50 or less.  
Arkansas  
Passed; 487,322 (66.6%) for, 244,267 against
- Established expenditure limits with variable contribution limits ranging from \$100 to \$500 for candidates who do not agree to the spending caps and from \$250 to \$1,000 for those that do.  
California  
Passed; 5,153,907 (61%) for, 3,277,510 against

1996

- Set \$5,000 contribution limits for all contributors to statewide candidates.  
Nevada  
Passed; 300,707 (71%) for, 122,922 against

1996

- Limited contributions of \$100 to legislative candidates and \$500 to statewide candidates.  
Colorado  
Passed; 926,591 (65.8%) for, 482,138 against
- Limited contributions to legislative candidates to \$250; contributions to gubernatorial candidates are limited to \$500.  
Maine  
Passed; 200,472 (52.3%) for, 182,743 against

PACs1994

- Limits contributions at each election to \$500 for statewide candidates and \$100 for legislative candidates.  
Oregon  
Passed; 851,014 (72%) for, 324,224 against
- Sought contribution limits of \$250 for PACs. Bans leadership PACs  
Colorado  
Failed; 508,029 (46%) for, 588,072 against

1996

- \$500 per calendar year per committee limit on PACs that contribute to candidates.

## California

Passed; 5,153,907 (61 %) for, 3,277,510 against

- Superseded previous law that set contribution limits for labor unions, PACs, and political parties.

## Nevada

Passed; 300,707 (71 %) for, 122,922 against

**Lobbyists****1996**

- No elected officeholder, candidate or committee may solicit or accept a campaign contribution or contribution to an officeholder account from, through, or arranged by a registered state or local lobbyist if that lobbyist finances, engages, or is authorized to engage in lobbying the governmental agency for which the candidate is seeking election or the governmental agency of the officeholder.

## California

Failed; 4,095,122 (48.1 %) for, 4,248,888 against

**Income Tax Check-offs and Add-ons**

Several states currently rely on a tax check-off or add-on. This method is considered public funding because it uses the tax system to solicit small, voluntary contributions that are distributed according to a legal formula administered and enforced by the state. In no state do more than 2% choose to add-on. Participation rates increase when a tax check-off system is used.

**Check-offs**

- 1993: 11.30%  
Hawaii, Idaho, Iowa, Kentucky, Michigan, Minnesota, New Jersey, North Carolina, Ohio, Rhode Island, Utah, and Wisconsin.
- 1994: 10.99%  
Hawaii, Idaho, Kentucky, Massachusetts, Minnesota, North Carolina, Ohio, Rhode Island, Utah and Wisconsin.

**Add-ons**

- 1993: 0.51%  
Alabama, Arizona, California, Maine, Massachusetts, North Carolina and Virginia.
- 1994: 0.33%  
Alabama, Arizona, California, Maine, North Carolina and Virginia.

## SHAW, PITTMAN, POTTS &amp; TROWBRIDGE

File -  
Att acts -  
procurement

## MEMORANDUM

VIA FACSIMILE

TO: Honorable Sylvia Matthews  
Deputy Chief of Staff

FROM: Weldon H. Latham

DATE: February 24, 1997

RE: Justice Department Proposed Regulations on Federal Minority Business Programs

**IMMEDIATE  
ATTENTION**

First, I am sorry we missed each other all day on Friday and over the weekend, but I wanted to be sure you and I communicated before you consider the above-captioned subject later today, Monday.

We understand that the Department of Justice ("DOJ") is seeking to issue proposed changes to the Federal Acquisition Regulations ("FAR") implementing its "Proposed Amendments to Affirmative Action in Federal Procurement" which was published on May 23, 1996 (61 *Fed. Reg.* 26042). DOJ aggressively solicited public "comments" and *promised* both publicly and privately that any proposed regulations would take those public "comments" into account. More than 1,000 Comments (which is an impressive number for any regulation) were submitted by the July 22nd due date, from a wide national cross-section concerned about Federal minority business programs.

Unfortunately DOJ has to a large extent ignored the Comments and has abandoned the President's commitment to developing strong, self-sufficient minority businesses. The proposed regulations unnecessarily and inappropriately restrict the government's minority business activities, apparently based on overly conservative interpretation of the *likely* response of the lower courts to the Supreme Court's stated policy. In fact, even a Dole Administration would not have interpreted this issue any more conservatively.

Additionally, we understand that Office of Federal Procurement Policy Administrator Kelman has stated that these programs must be subordinated to the goals of "streamlining" and "efficiency." This President has often recognized that vital social concerns *e.g.*, Medicare, Medicaid, education and the environment, are often more important than mere "efficiency". Minority business procurement programs are one of

Hon. Sylvia Matthews

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the most effective ways of fulfilling the Government's commitment to move disadvantaged peoples from **welfare to work** -- because minority businesses hire more minority people.

Major problems exist in the current *draft* regulations, most notably:

1. **A moratorium on set-asides is already in effect.** There has been a moratorium for nearly two-years, since the October 23, 1995 suspension of the "Rules of Two" at the Department of Defense. An additional moratorium is *not legally* necessary, to determining the effect of eliminating set-asides on minority business contracting.

2. **Inclusion of 8(a) Program is inappropriate.** The Small Business Administration ("SBA") Section 8(a) Program should be completely excluded from these proposed regulations. Section 8(a) contracts should not be included in a calculation of benchmarks and the 8(a) program should not be subject to restrictions based on attainment of benchmarks, because it is a short-term development program not a permanent procurement program which DOJ has successfully argued in court.

Other threats to the success of minority business development, which are not even addressed in the proposed regulations include:

3. **Contract bundling.** Under the guise of "streamlining," many Federal agencies are consolidating several procurement requirements that were previously separate contracts into single solicitations, portions of which are well suited to small and minority businesses. Neither efficiency nor cost savings generally are attained but fewer sources and less innovation and entrepreneurial spirit has resulted. Minority owned businesses, which tend to be smaller than their majority owned counterparts, suffer disproportionately the adverse effects of this process.

4. **"Phantom" Subcontracting.** Majority businesses required by Federal law to subcontract to small and minority owned concerns often claim to comply with this requirement, but in fact subsequently fail to enter into actual subcontracts. Solicitation and contract provisions must be tightened to require majority businesses to fulfill their legal obligations and to impose penalties for violating subcontracting commitments.

I would be pleased to discuss these issues with you in greater detail, and provide further background of the aforementioned issues, including the essence of our discussions with the President last Spring.

cc: Hon. Victoria Radd  
Chief of Staff to Mr. Bowles  
Hon. Richard Hayes  
Agency Liaison