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# Returning Elections to Voters

## Albuquerque's success with voluntary public financing of campaigns

In 2005, amid growing concern over the influence of special interest money in elections, Common Cause New Mexico led the charge to create a financing system for Albuquerque municipal elections. The city council placed the proposal on the ballot that year, and it passed easily with 69 percent of the vote.

Candidates used the system for the first time during the municipal election on October 2, 2007. Three council seats were in play. Five candidates used public funds to finance their campaigns, while four candidates were privately funded.

Despite a handful of minor misgivings, this first trial run was an enormous success. The final disclosure from city council candidates was filed on November 16, allowing us to fully analyze the effectiveness of this new electoral funding mechanism. This report explores how the system works, why it is necessary, and what alterations might be made to make it even better.

## How it works

Albuquerque's public campaign financing system is entirely voluntary. Candidates may seek private funding if they wish. If they want to receive public funds, however, they need to collect \$5 contributions from 1 percent of registered voters in their districts. If they meet this threshold, they receive the equivalent of \$1 for each voter in their district minus the amount of gathered contributions. In return, they agree to not spend a penny of their own or outside money on their campaigns.

To get their names on the ballot, each candidate then has to acquire signatures from 2 percent of eligible voters in their districts—a requirement for both publicly and privately financed candidates. If publicly financed candidates do not meet this requirement, they must return all their public funding to the City.

The system also includes a matching provision to ensure that public and private funding is roughly equal. If a privately funded candidate makes campaign expenditures exceeding the initial funds granted to a publicly funded candidate in the same race, the City distributes matching funds, up to

twice the original amount, to the publicly financed candidate. During the last election, matching funds were granted to Council President Debbie O'Malley in the District 2 race between O'Malley, who was publicly funded, and her privately funded challenger, Katherine Martinez. The matching provision can also be triggered if an independent expenditure is made on behalf of or in opposition to a participating candidate.

After the election, publicly funded candidates are required to return all unspent funds to the City.

## **Why it is necessary**

In 2005, Common Cause New Mexico released a report detailing the alarming rise in costs of mayoral campaigns in Albuquerque. The report, "Out of Control: The Rise of Campaign Spending in Albuquerque Mayoral Races," revealed that the combined total campaign expenditures of the top four spending candidates was less than a quarter of a million dollars in 1997. By 2005 that figure had ballooned to over one million dollars. (The full text of the report is located [here](#).)

Grave indications exist that Albuquerque's city council races are already facing the same sort of troubling inflation. In a hotly contested District 7 race in 2005, for example, the incumbent spent an astonishing \$59,126 to defeat the main challenger.

These facts are a major concern because massively funded private candidates bar otherwise worthy candidates from running competitive campaigns. Furthermore, private contributions to candidates can create potential conflicts of interest. Even the perception of public officials' obligations to private donors creates, at the very least, cynicism among citizens, discouraging them from playing active roles in the political process.

The goal of public campaign financing is to avoid these dilemmas. An added benefit is that public funding programs allow candidates to spend more time articulating their platforms during a campaign and less time asking donors for contributions. In Albuquerque's case, once candidates have gathered the required \$5 qualifying contributions, the fundraising portion of their campaign is complete and they can focus full-time on communicating with voters.

## **Improving the system**

All in all, the trial run of Albuquerque's new campaign financing system was a clear success. As noted above, of the nine candidates who ran for council seats, five opted to use public funding. Two of those publicly funded candidates—incumbent Debbie O'Malley (District 2) and newcomer Rey Garduño (District 6)—won their races.

In interviews with candidates conducted both before and after the election, Common Cause New Mexico learned that impressions of the new financing system are largely positive among the people

who actually used it. Even District 4 city councilor Brad Winter, who opted to use private money to finance his campaign, agrees that the system should remain in place.

Yet every candidate also believes that a few changes would make the system even better. In 2009, it will be used for the first time during a mayoral election, meaning substantially more resources will be required to supply candidates with public funding. After consulting with candidates, city councilors and other interested parties, Common Cause New Mexico proposes the following improvements.

Please note that it is not clear how these changes should be made, by charter amendment or by ordinance. Ongoing analysis by advocates and City officials will help determine the best course of action.

#### ► **Qualifying contributions and signatures**

Every candidate making use of the public financing system objected that they first had to gather qualifying contributions to get public funding and then needed to gather signatures to get on the ballot. To avoid a situation where a candidate receives public money but fails to get on the ballot, Common Cause urges that the dates for gathering signatures be synchronized with the qualifying process.

#### ► **Review of penalties and enforcement**

To maintain the integrity of the system, all candidates must be held accountable for violations of the City's election code. Common Cause advises a thorough review of existing penalties and enforcement to ensure that these are sufficient to deter misuse of the system. Heightened penalties for violations of the code should definitely be considered.

#### ► **Accurate reporting**

Albuquerque's election code is currently ambiguous about the trigger for reporting campaign expenses. Common Cause believes expenses must be reported when they are incurred, not when they are paid. A failure to clarify this requirement means the City might not be able to properly implement the matching provision in the election code because privately funded candidates could wait to make certain payments until after an election is complete.

#### ► **More frequent reporting**

For the matching provision to work properly, it is also essential that more frequent campaign reports be required, especially in the final days of a campaign. As it stands, the gap between reports is too large. For example, there is a three-week space between the second and third disclosure statements. Ideally, one campaign report should be added in August, and all expenses incurred during the final three weeks of the campaign should be reported within 24 hours. This would ensure that publicly funded candidates gain access to matching funds in a timely manner to avoid putting them at an unfair disadvantage.

### ► Donations of hard purchases

The City's election code allows publicly funded candidates to purchase computers, phones and other items necessary to run an effective campaign. Common Cause believes such items should be returned to the City following the election and donated to Albuquerque Public Schools or specified charitable organizations to avoid the appearance that candidates are gaining an unjustifiable personal benefit by participating in the financing system.

### ► Independent oversight

The City Clerk's Office is charged with running Albuquerque's public financing system. The Clerk is a mayoral appointee responsible for numerous functions within City government. Because systems of full public campaign financing are so complex, all other states and the one municipality (Portland, Oregon) that have adopted such systems created independent bodies responsible for overseeing their operations. Albuquerque might want to explore this idea in the future.

## Final thoughts

Despite our support for these proposed changes, Common Cause believes Albuquerque's road test of its new public campaign financing system should be judged a success. It allowed highly qualified candidates to run for office who otherwise would not have had the means to run. Freed from the necessity of spending the majority of their days fundraising, it gave candidates more time to explain to voters their positions on issues and to evolve policy positions to the benefit of the City and its citizens. Perhaps most important, the system cut a significant amount of special interest dollars out of the equation, allowing the five publicly financed candidates to run campaigns unfettered by obligations—or the appearance thereof—to donors.

This impressive system functioned largely as intended. With a few small adjustments, it will become even more effective, providing a model for other cities seeking to prevent the kind of unfortunate political environment we see on the state and federal level, where excessive private money has flooded elections, creating cynicism detrimental to the long-term health of our participatory democracy.