

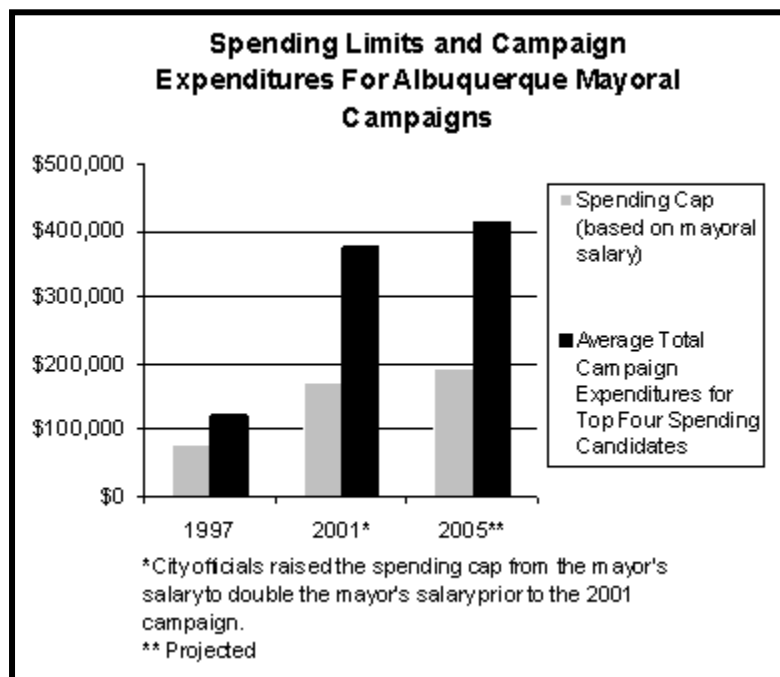


Out of Control: The Rise of Campaign Spending in Albuquerque Mayoral Races

For over 25 years, the city of Albuquerque had one of the most effective laws in the country at reining in campaign spending. While other cities and states around the country saw campaign costs skyrocket, Albuquerque’s campaign spending remained under control and candidates’ ideas played the preeminent role in Albuquerque politics. When a court decision overturned the city’s long-standing campaign spending caps a month before the 1997 mayoral elections, campaign costs went through the roof. With only a month left in the campaign to spend without restrictions, four candidates spent \$168,573 over the rejected cap with a combined \$486,477 in total campaign expenditures. In 2001 total expenditures by the four top spending mayoral candidates jumped threefold to \$1,503,153. This year, spending for the election to win the mayor’s seat is sure to outpace 2001 levels. With four weeks remaining in the election, total campaign spending by all four candidates exceeded a million dollars. Most of the increase can be attributed to the campaign of incumbent candidate Martin Chavez, who had spent nearly \$750,000 and will break the million-dollar mark by himself.

Background

Mayoral and City Council races operated under the spending limit for 23 years until it was challenged in court in 1997. The city enacted spending limits for candidates for city offices in 1974 with an amendment to the city’s charter in response to campaign finance scandals. The citizens of Albuquerque approved the amendment with over 90% of the vote.



The amendment limited the total amount a mayoral candidate may spend on an election campaign to the amount of the position's salary. Following the 1997 election, city officials chose to raise the limit to double the annual salary. The mayor's annual salary, which is currently \$96,179, has grown at a rate of a little over 3% over the last two decades.

Candidate Campaign Expenditures Up Through the 25 Days Preceding the Election <i>Albuquerque Mayoral Race</i>	
1997 Top Four Spending Candidates	
Joe Diaz	\$79,598
Sam Bregman	\$61,737
David Cargo	\$47,841
Jim Baca	\$40,895
Total	<u>\$230,071</u>
2001 Top Four Spending Candidates	
Rick Homans	\$456,776
Jim Baca	\$233,075
Martin Chavez	\$111,347
Mike McEntee	\$110,957
Total	<u>\$912,155</u>
2005 All Candidates	
Martin Chavez	\$742,718
Eric Griego	\$103,326
Brad Winter	\$92,173
David Steele	\$64,934
Total	<u>\$1,003,150</u>

In 1997, the spending cap was successfully challenged by mayoral candidate Joe Diaz. When a state district judge barred the spending limit less than a month before the general election, three other candidates besides Diaz spent beyond the discarded limit. After the election, Diaz dropped his lawsuit after deciding not to run again and the spending limit was essentially back in play.

But in 2001, an independent businessman, Rick Homans, successfully challenged the limit in court and went on to spend a record amount of money in an unsuccessful campaign for mayor. With no spending cap, mayoral candidates raised a record amount of money in the 2001 campaign. The U.S. Court of Appeals for the 10th circuit rejected the appeal by supporters of the spending limit in April 2004, leaving only the U.S. Supreme Court with the authority to overturn the decision.¹

Campaign Spending Soars

Predictably, once the spending limits were lifted, campaign spending for mayoral races skyrocketed, particularly during the 2001 campaign. Homans, the man who challenged the limit in court, was the biggest spender, burning up \$593,349 for his entire

campaign – over three times the \$175,000 spending cap had it not been lifted by the court. Two other candidates, including the winner, also spent far beyond the cap. Mayor Martin Chavez spent \$395,546 while incumbent Jim Baca spent \$341,035 in his unsuccessful reelection bid. Overall, those three candidates spent \$1,503,153, a total of \$801,777 beyond the spending caps, for the 2001 mayoral race.

Campaign fundraising was increased again in 2005. In 1997, total spending for the top four spending candidates up through the 25 days preceding the election was \$230,071. In 2001 the top four spent \$912,155 at the same point in the election cycle. This year, the four candidates

¹ On September 27, the U.S. Supreme Court has agreed to review a similar case, regarding the constitutionality of Vermont's limits on campaign spending, setting the stage for a possible sea change in the way American political campaigns are financed. The case will give the Court its first opportunity in nearly 30 years to revisit its 1976 decision in *Buckley v. Valeo*, which struck down Congressional spending limits on First Amendment grounds.

have spent a total of \$1,003,050 through September 9, with 25 days before the October 4 election and more spending expected.

The increase in fundraising this election cycle is mostly attributable to the campaign of incumbent candidate Chavez, which had spent \$742,718 by the September 9th filing date. Chavez' expenditures represent nearly four times the \$192,358 spending limit had it been in place – with almost a month left in the campaign. Chavez's closest competitor in terms of campaign spending is Eric Griego, whose campaign spent \$103,326 by the September 9th filing date.²

The Option of Public Financing

Two states and a number of jurisdictions in the country have enacted systems that provide for voluntary limits on campaign spending and voluntary public campaign financing. The voluntary systems comply with current judicial restrictions against mandatory spending caps. More importantly, such programs level the playing field so that a diversity of candidates with community support can run credible campaigns for office and they successfully curtail the influence of special interest money in political campaigns. While the programs vary in specific detail, public financing essentially provides qualified candidates with public funds to run their campaign if they agree to not spend in excess of the amount they receive and accept no private money for their campaign.

Albuquerque voters will have the opportunity to pass a strong clean money campaign reform at the ballot box on October 4, 2005. The system proposed by the Open and Ethical Elections Code referendum in the upcoming Albuquerque citywide election provides that:

- Serious candidates with broad grassroots support who are willing to gather the required amount of low-dollar qualifying contributions will be eligible for public financing.
- Certified candidates that participate in the system must agree to neither raise nor spend any private money.
- Qualifying certified candidates will receive \$1 per registered voter in their district for their campaign.
- Participating candidates that break their agreement with the people of Albuquerque by spending private money would face heavy fines and must return the entire disbursement they received from the public fund.
- From existing funds, with no new taxes, the City Council will appropriate one-tenth of one percent of the General Fund each year to a fund created by the Open and Ethical Elections Code to ensure there are adequate resources available for candidates who qualify for the system.
- The City Clerk and City Attorney will be charged with overseeing the administration of the fund to make certain the fund is used only for public financing of elections.

² Prior to this election, Chavez was one of the biggest advocates of Albuquerque's spending limits. When it was first challenged in 1997, Chavez – who was Mayor at the time but not running for reelection – urged all of the candidates to voluntarily pledge not to spend over the limits. Before leaving office he led the city of Albuquerque into joining a national effort to challenge the Supreme Court's position on spending limits. In a 1998 article by the *Philadelphia Inquirer*, Chavez said that without the spending limit in his first successful campaign for the mayor's seat, "I probably would have gotten outspent and come in third."

Methodology

Campaign finance information is based on campaign finance disclosure reports submitted to the Albuquerque City Clerk's Office.

For the purposes of comparison across three mayoral election cycles, the four top spending candidates from the 1997 and 2001 mayoral campaigns were compared with all four mayoral candidates in 2005. In 1997 there were seven mayoral candidates and eight in 2001.

The projection of total campaign spending for the 2005 election cycle for the mayoral candidates is based on the increase in campaign spending for the 25 days prior to the election in 2001 by the four top spending candidates.

Acknowledgements

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