

Real Campaign Reform by Dan Jacoby

The New York City Council is about to pass, by an overwhelming margin, a “campaign finance reform” bill. On the day it passes, several elected officials will undoubtedly hold a press conference in order to pat themselves on the back. They’ll claim they did these great things, closing loopholes, leveling the playing field, and reducing the influence of big money on elections.

Unfortunately, they will have done nothing of the sort.

While the bill makes a pretense of keeping people who have big contracts with the city government from making large campaign contributions, their friends, relatives – and their subcontractors – are not limited. Big contractors, big developers, and other big money interests will still be able to bundle large donations. They will continue to have the same undue influence they always had. Any claim to the contrary is fraudulent.

The bill also claims to make smaller donations even more valuable by raising the ratio at which matching funds are paid. Right now, for every dollar raised by a candidate from a New York City resident, the city chips in four dollars, up to a limit of \$1,000. Under the new plan, the city will pay six dollars for every dollar raised, up to a limit of \$1,050. In theory, this six-for-one match will make those “small” donations (up to \$175) more valuable than large donations.

The truth is far different. Candidates will still solicit large donations just as voraciously, because a \$2,500 donation is still worth far more than a \$100 donation – and anyone who can bundle a bunch of large donations will still be far more important to a candidate than any number of small donations. Candidates who can raise more money will still have the same advantages they have always had.

Meanwhile, we are approaching a cliff.

When public matching funds, combined with spending limits for candidates who accept those funds, began working for the 1989 election, the limits were set so high that very few candidates found those limits to be limiting anything. Today, campaign spending has more than doubled in twelve years, even after adjusting for inflation. As a result, while the limits have gone up to match inflation, many candidates can now raise – and spend – far more than those limits on their own.

This means that most candidates for the three citywide offices, Mayor, Comptroller and Public Advocate, will choose not to accept matching funds. Many candidates for City Council will also opt out of the system, as they too will be able to raise and spend far more than the limits. Those candidates who can raise lots of money will continue to have the huge advantage, and we are throwing literally millions of dollars of our tax money down the drain.

Unfortunately, too many of our elected officials, who are so steeped in the current system, cannot – or will not – take a step back and see the forest for the trees. They refuse to accept the glaring fact that the current system, never effective anyway, is crumbling all around us.

The only solution that has been demonstrated to work is a method of full public funding known as "Clean Money, Clean Elections" (CMCE). Under CMCE, candidates who demonstrate community support by collecting a sufficient number of five dollar contributions from constituents qualify for full public funding, everyone who qualifies gets the same amount of money, and everyone who takes this money is prohibited from spending anything else.

With CMCE, there are no large donations, and no large donors and bundlers who gain special access to elected officials. Candidates don't spend most of their time fundraising. Elected officials don't spend most of their time building a war chest for their next election. The only people who truly matter are the constituents, and the only thing that counts is a person's record in office.

CMCE is not only campaign finance reform, it is also lobbying reform. Since lobbyists can no longer double as fundraisers, they are limited to pleading the merits of their cause, with no ability to help elected officials who help them, and no ability to hurt those who oppose them.

CMCE is already successful in Maine and Arizona. Then, following the resignation of Connecticut's scandal-ridden Governor John Rowland, who may have taken gifts and other bribes from contractors and state employees, that state implemented CMCE as well. Several other states and at least two cities use some form of CMCE for some of their elections.

The City Council will soon have the opportunity to enact CMCE. If they are truly interested in real reform, they should do so quickly.

Copyright 2007, Dan Jacoby