



Accessible politics, accountable government

Democracy Reform Oregon

917 SW Oak St., #422, Portland, OR 97205

503/283-1922 * 503/283-1877 (fax)

www.democracyreform.org

www.oregonfollowthemoney.org

Voter-Owned Elections – Changing Portland Politics

History and Policy Overview

After an 18-month process the Portland City Council adopted a Voter-Owned Elections (VOE) ordinance in May 2005. There were three public hearings in Council chambers packed with supporters, analysis by the City Auditor and the Office of Finance and Management, two comment periods, input from a technical review committee and expressions of support from over 40 businesses and community organizations as well as 10,000 postcards from individuals expressing support for VOE.

VOE participating candidates run for office without big money in a way that requires broad citizen involvement in the candidate selection process. Candidates agree to:

- Collect a large number (1,000 for council and auditor candidates and 1,500 for mayoral candidates) of \$5 qualifying contributions to demonstrate community support.
- Reject private money contributions.
- Limit campaign spending and comply with strict administrative safeguards.

In return, eligible council candidates receive \$150,000 for primary races and \$200,000 for general election. Eligible mayoral candidates receive \$200,000 and \$250,000. Voters benefit since they can be genuine participants in the candidate selection process and are the total focus of campaigns. Subsequent policy decisions occur without even the perception of special interest influence.

Public Financing Reform – A Growing Trend

Voter-Owned Elections is proving itself to be sensible and cost-effective reform.

- After the 2006 elections, 84 percent of the Maine legislature was elected as a Voter-Owned Elections candidate. The public financing option has been in place since 2000.
- Nine of Arizona's eleven statewide elected officials have been elected under Voter-Owned Elections. The public financing reform system has been available since 2000.
- North Carolina, New Jersey, New Mexico, and Vermont have adopted Voter-Owned Elections for races ranging from legislators to statewide offices to judges.
- In October 2005, voters in Albuquerque, NM, approved a charter referral on public financing reform. The Connecticut legislature adopted Voter-Owned Elections in December of 2005. The Connecticut bill passed with bipartisan support from Democratic legislators and Republican governor.

Voter-Owned Elections and Portland's 2006 Primary

Page 2 - VOE Levels Election Playing Field - Incumbents Can Win but in Fair Financial Fight

Page 4- Matching Funds – Legal and Effective

Page 5 - VOE Creates “Incumbent Improvement” not Incumbent Protection

Page 7 - Special Interest Influence Reduced

Page 8- Typical Portlanders Across the City Find New Opportunities

Page 9 - Campaign Spending Reduced

Page 10 - Qualifying Process Proves Suitably Difficult - Needs Assertive Administration

Page 11 - VOE Addresses Independent Expenditures

VOE Levels Election Playing Field - Incumbents Can Win but in Fair Financial Fight

Raising more campaign cash is typically the best indicator of electoral success. For example, in Portland elections since 1970, the top spender won 87% of the time.¹ Typically incumbents are both the fundraising and electoral winner. As reported in Willamette Week, City Hall incumbents have lost only five times in 121 contests since 1970.² Typically when an incumbent was defeated, the challenger raised more money. For example, the last time a Portland incumbent was defeated was in 1992 when challenger Charlie Hales spent more than twice the dollars raised by incumbent Dick Bogle.³

During the 2006 primary, the playing field was far more level than past races involving incumbents. One incumbent, Dan Saltzman, won outright against a financially viable challenger, Amanda Fritz. The other incumbent, Erik Sten, defeated two challengers in a race with spending on a more even par than compared to his previous primary races.

Chart 1 - Comparative Primary Spending – City Council Position #3 (Bold=incumbent)

1998 primary – open seat			2002 primary			2006 primary		
Saltzman	58%	% of total spending	Saltzman	82%	% of total spending	Saltzman	53%	% of total spending
			Alexander	17%				
Collier	42%		Nassett	1%		Fritz	47%	
Saltzman won in the general election against Tanya Collier.			Saltzman won in the primary and appeared uncontested on the general election ballot.			Saltzman won outright in the primary and due to a charter change was not on the general election ballot.		

Chart 2 - Comparative Primary Spending – City Council Position #2 (Bold=incumbent)

1996 special election ⁴ - open seat			1998 primary			2002 primary			2006 primary		
Sten	33%	% of total spending	Sten	91%	% of total spending	Sten	81%	% of total spending	Sten	40%	% of total spending
Duffy	31%		Lindsey	9%		Miliucci	15%		Burdick	48%	
Hicks	18%					Callison	4%		Lister	12%	
Oakland	18%										
Sten won in the general election against Chuck Duffy.			Sten won in an uncontested general election.			Sten won in an uncontested general election.			Sten won outright in the primary and due to a charter change was not on the general election ballot.		

The typical pattern in Portland primaries when there is the occasional open seat race is a major fundraising battle and high campaign spending. Once in office, however, incumbents typically face minor opposition from candidates with little fundraising capacity. Incumbent winning without meaningful opposition changed in 2006 because of VOE.

¹ Analysis by City Auditor Gary Blackmer.

² Willamette Week, January 24, 2006, Gunning for Saltzman: How a city commissioner could actually lose this year.

³ Analysis by City Auditor Gary Blackmer.

⁴ Due to Earl Blumenauer resigning from the City Council to run for Congress, there was a special election in September of 1996 that served as the primary for a November run off election won by Erik Sten

In his first city council race in 1998 Dan Saltzman faced Tanya Collier in the primary. This was an open seat and spending between these two candidates was relatively equal with Saltzman's expenditures amounting to 58% of total spending. When he ran as an incumbent in 2002, Saltzman coasted to victory against two under-funded opponents. During this uncompetitive 2002 primary, 82% of total expenditures were made by Saltzman.

Amanda Fritz was a VOE participant and spent \$147,499⁵ out of \$153,153⁶ available to her campaign. Fritz returned \$5,016⁷ to the city and declined to take \$9,652 in matching funds triggered by Saltzman's spending over \$150,000.

Saltzman, who voted for VOE but did not opt into the new system, raised \$171,290⁸ and spent \$166,497⁹. It was disappointing that Saltzman exceeded his self-imposed limit to make no more than \$150,000 in cash expenditures, but he spent far less than he did back in 1998 when he last had a financially viable challenger and his pledge seems due to Voter-Owned Elections. Fritz was a viable challenger because of VOE.

As indicated in Chart 1, Saltzman's spending comprised 53% of total spending in the race while Fritz's was 47% of expenditures. It doesn't appear that the primary outcome would have been different if Fritz had accepted the matching funds option provided by VOE. The fundraising disparity between Fritz and Saltzman even without acceptance of matching funds was considerably less than in previous elections involving incumbents.

Erik Sten lost his first election in the 1996 primary for City Council Position #1. In that contest Jim Francesconi and Gail Shibley advanced to the general election, and Sten was significantly outspent. Sten's was only 19% of total primary spending compared to 47% and 34% respectively spent by Francesconi and Shibley.

In September of 1996 a special election was held when Earl Blumenauer resigned from the City Council to run for Congress. Erik Sten and three others faced off in that contest in a relatively equal fundraising race. In the general election Sten raised almost three times as much money as Chuck Duffy and beat him in November.

Sten ran for a full term in 1998. As an incumbent, Sten didn't need to raise much money to beat an under-funded opponent (Ed Lindsey) and his spending was 91% of total expenditures. The fundraising advantage of incumbency worked for Sten again in 2002 when he raised far more money and beat two under-funded opponents, Liz Callison and Mike Miliucci. (See Chart 2 above for a summary of comparative primary spending in Sten's elections.)

⁵ \$144,345.39 in cash contributions and \$3,153.34 in-kind support.

⁶ \$150,000 in public funds and \$3,153.34 given as in-kind contributions. Use of a voter list by Multnomah County Democrats was valued as a \$1,300 in-kind contribution and expenses paid for by Fritz and campaign volunteers made up most of the remaining in-kind contributions. It should also be noted that the actual public funds allocation was \$150,000 minus the value of qualifying contributions and seed money donations but the net effect is to provide \$150,000 for campaign spending by VOE candidates.

⁷ Cash balance of \$5,654.61 minus accounts payable of \$638.49,

<http://www.portlandonline.com/auditor/index.cfm?c=eagcf&a=bagfcf>

⁸ Saltzman's fundraising includes an initial cash balance on his 1st pre-election report of \$86,891.90 representing dollars raised in 2005 and reported on his 2005 September Supplemental report plus \$84,398.36 reported on 2006 primary reports, including in-kind contributions that first began to be reported as of a May 11 amendment.

⁹ \$159,958 in cash contributions and \$6,658.36 in-kind support.

In another indication of the money advantage of incumbency, Sten's average itemized contribution was 2.2 times greater in 2002 than in 1996 when he first ran. As Sten himself put it: "Fundraising got much easier after my initial campaigns. I was a long shot early in 1996 and my fundraising included more of those valued but hard-won \$50 contributions. Once in office, the money comes easier and in bigger checks."¹⁰

In 2006, Erik Sten opted into the VOE system, turning his back on his proven fundraising capacity and the trend for incumbents to use access to big-money donors to fend off significant challengers. This time, Sten faced two candidates who chose not to participate in the VOE system. While critics view VOE as protection for incumbents who do not have to fundraise, Sten actually took a chance by opting into the VOE system because he increased the odds of being an incumbent who is outspent by a challenger. In terms of his major challenger, Sten was outspent, but still won. One reason for his victory was the more field-oriented, grassroots campaign he had to run - and could run because of increased volunteer participation because of his broad based support achieved by gathering the many \$5 qualifying contributions required of VOE candidates.

His major opponent, state Senator Ginny Burdick was specifically recruited by big-business interests, many of whom were also active opponents of the VOE reform. Another opponent was small businessman Dave Lister.

Sten's total spending was \$204,894¹¹ while Burdick spent \$241,995¹² and Lister spent \$68,292.¹³ As indicated on Chart 2, Sten's spending was 40% of total expenditures in this race with Burdick's spending comprising 48% of the total and Lister's expenditures representing 12% of total dollars spent in this race.

"Because of Voter-Owned Elections, campaign spending by incumbents Sten and Saltzman was less than would have been expected by incumbents in competitive races prior to reform," said Janice Thompson, executive director of the Money in Politics Research Action Project (MiPRAP). "Voters made their decisions based on the record of incumbents rather than their ability to raise money. Erik Sten won against a higher spending opponent in part because of volunteers brought in by the VOE qualifying process." MiPRAP is a member of the Friends of Voter-Owned Elections coalition.

Matching Funds – Legal and Effective

Portland's Voter-Owned Elections ordinance, like legislation in Maine, Arizona, and other political jurisdictions that have adopted public financing, provides matching funds if a participating candidate is outspent by an opponent who doesn't opt into the new system. Matching funds are capped at \$150,000 for Council primary elections. If more than one VOE candidate is in the race, matching funds are divided among VOE participants.

The intent of matching funds is to provide additional resources for additional speech and provide spending parity between candidates unless a participating candidate faces an opponent who

¹⁰ Similar findings for City Council members are in Giving and Getting: Analysis of Campaign Contributions to 2004 Portland City Candidates by the Money in Politics Research Action Project at <http://www.oregonfollowthemoney.org/PDXReports/031405PDXanalysis.PDF>

¹¹ \$198,039 cash and \$6,855 in-kind support

¹² \$237,506 cash and in-kind support of \$4,489

¹³ \$60,485 including a \$30,000 personal loan and \$7,810 in-kind support

raises or spends more than \$300,000. Since several primary candidates in 2004 (Jim Francesconi in his race against now-Mayor Potter as well as Nick Fish and Sam Adams in their Council race) spent more than \$300,000 some have voiced concern that the matching funds provision was inadequate.

VOE candidates are taking a risk that they could be outspent even with matching funds. The constitutionality of VOE candidates accepting a limit on their campaign spending, however, is based on the voluntary nature of their participation. In making their campaign choices, non-participating candidates also know that their fundraising and spending could trigger matching dollars.

“Courts have upheld the constitutionality of matching funds triggered by spending by nonparticipating candidates as well as by independent expenditures,” said Suzanne Novak, Deputy Director of Democracy Programs at the Brennan Center for Justice at NYU School of Law.

For additional information on the constitutionality of public funding reform see Portland Voter-Owned Elections Frequently Asked Legal Questions prepared by the Brennan Center for Justice at <http://friendsofvoe.org/files/Brennan%20Center%20PDX%20VOE%20legal%20FAQ%20FINAL.pdf>

The 2006 primary illustrates the new dynamics of Portland elections due to Voter-Owned Elections and matching funds. Although he has a track record of greater fundraising capacity, Dan Saltzman limited his spending to a level that could have provided Amanda Fritz with an additional \$9,652. Fritz opted to not accept these funds and attempted, unsuccessfully, to make Saltzman’s increased spending an issue in the campaign.

Matching funds in the Burdick and Sten race kept spending between these candidates on par since Burdick did not have the fundraising capacity to spend over the \$300,000 maximum provided to VOE candidates in Council primaries. Some of Burdick’s backers may have hesitated to provide support that could trigger additional dollars for the Sten campaign. However, many press reports have commented on Burdick’s ineffective campaign performance. For example, pollster Michael Riley told the Oregonian, “I’m just amazed at the lackluster campaign Burdick has run.”¹⁴ So contributor hesitation could just as plausibly result from inability to inspire potential donors.

The matching funds system worked in the May primary with enough funds going to Sten to win, even though he ended up not spending as much as Burdick. The VOE Citizens Campaign Commission is assessing the timing of late spending to ensure even more effective distribution of matching funds in the future.

VOE Creates “Incumbent Improvement” not “Incumbent Protection”

VOE has the greatest promise of leveling the playing field in an open seat race because of benefits of incumbency beyond the fundraising advantages addressed by VOE. While other reforms, such as term limits, have been offered to overcome the advantages of incumbency, it is not incumbency itself that VOE seeks to address. However, VOE improves the chances of

¹⁴ Oregonian, May 5, 2006, Campaigns warm up for final stretch.

challengers by creating a more even fundraising playing field. Even in races where not all of the candidates participate in the system, the system can contribute to non-participating candidates reducing their fundraising.

Rather than being incumbent protection, Voter-Owned Elections is best characterized as incumbent improvement. “The League of Women Voters has a long history of monitoring election reform. We have opposed term limits, as we believe citizens, by voting, have the power to remove an incumbent,” said Carol Cushman president of the League of Women Voters of Portland. “But VOE, by giving challengers a more equal playing field, brings more real choices to our elections, thus improving our democratic process.” The Portland League is also part of the Friends of Voter-Owned Elections coalition.

Under Voter-Owned Elections incumbents can win as seen in the 2006 primary results. Re-elected incumbents Sten and Saltzman, however, ran significantly different races and are more accountable to typical Portlanders because of VOE.

As a VOE candidate, Sten collected seed money and qualifying contributions from approximately 1,428 donors. This is 906 more than the estimated 522 donors to Ginny Burdick’s campaign and 1,177 more than the 251 donors to Dave Lister’s effort. Burdick had 201 donors who gave over \$100 and raised \$15,991 in unitemized contributions of less than \$100¹⁵. Assuming an average small contribution of \$50 provides an estimated number of 320 small contributors. Lister had 47 donors giving over \$100, including a personal loan of \$30,000, and \$10,221 in small donations from an estimated 204 small contributors.

The grassroots focus of Sten’s campaign during the qualifying phase also involved contact with far more donors than either his 1998 or 2002 races against under-funded opponents. In 1998 Sten’s contributions came from an estimated 230 donors (125 itemized donors and an estimated 105 small donation contributors) and an estimated 274 contributors in 2002 (154 itemized donors and an estimated 120 contributors giving less than \$50). And this year’s total donors even exceeded the estimated 997 contributors in his first successful race in 1996 (483 itemized donors and an estimated 514 small donation contributors).

Instead of dialing for dollars, VOE candidate Sten could focus his campaign time on contact with voters and discussing issues. On election night Sten said, “In Portland we can change the political system by having conversations with voters rather than raising campaign contributions from special interests.”

Because Dan Saltzman limited his contributions to \$500, he also interacted with more donors during the 2006 primary season compared to his uncompetitive 2002 election. This primary¹⁶ Saltzman raised money from an estimated 424 donors (335 itemized contributors and an estimated 89 small donation contributors.) In 2002 Saltzman’s contributions came from an estimated 211 contributors (150 itemized donors and an estimated 61 small donation contributors.) Because he raised far less money than he did during his initial run for office in the open seat race, Saltzman’s need to contact donors was not as great this year as it had been in

¹⁵ Prior to this election cycle the threshold for providing a donor’s name, address, and employment information was \$50 and small contributions under that amount could be reported as an aggregated figure. This threshold was increased in HB 3548 passed last session.

¹⁶ Included in this analysis are contributions reported on Saltzman’s September 2005 contribution and expenditure report.

1998. That year Saltzman's contributions came from an estimated 1067 donors (639 itemized contributors and an estimated 428 small donation contributors.)

The net result is that except for a relatively small spurt of late fundraising, Saltzman stopped raising money in January. This provided more time to focus on contact with voters and reduced his time dialing for dollars. But as a VOE candidate his fundraising would have been far broader and looked more like the grassroots qualifying process efforts of Sten or his opponent Amanda Fritz who collected 1045 \$5 qualifying contributions and accepted in-kind contributions from nine people or organizations.

Although Amanda Fritz didn't win her first race, she ran a positive campaign focused on neighborhood involvement and increased public discussion about the need for citizen participation and the city's development policies. Saltzman won without the money advantage of incumbency in a fair fight due to comparable spending by both candidates. On election night Fritz said, "Because of Voter-Owned Elections, politics are changing in our city."

Special Interest Influence Reduced

As a VOE candidate Erik Sten can focus on community concerns without even the perception of undue influence or access provided to campaign contributors. And although Saltzman received private money contributions, he did so at a much lower level than in his previous campaigns. For example, 69 % of contributions to city candidates in 2004 came from only 7 % of the donors in checks of \$1,000 or more.¹⁷ Because of Voter-Owned Elections, Saltzman pledged to cap his private money donations at \$500 and spent less than in previous elections. The special interest link would have been completely broken if Saltzman had opted into the VOE system, but the clout of campaign contributions is still reduced.

A positive result of VOE is that Saltzman originally stopped fundraising in January – months before the May primary, meaning he could devote more time to voters and constituents. Saltzman's initial fundraising of \$154,907 in cash contributions comprised of a \$86,892 beginning cash balance reflecting fundraising reported on his 2005 September Supplemental report plus \$68,015 in cash contributions reported on his first primary report. However, an in-kind contribution of \$5,702 from Portland Spirit for a fundraising cruise was reported late in an amendment filed a week before the primary election, bringing his initial fundraising to \$160,609. Saltzman collected in-kind contributions of only \$356.44 on the second pre-election report.

Citing the need for additional funds to carry out his campaign plan, Saltzman resumed fundraising, collecting an additional \$10,230 shortly before and after the May 16th primary that pushed his contributions to \$171,290. The *Oregonian* reported that Saltzman would not continue fundraising beyond his last spurt of contributions unless required by unanticipated bills. The additional fundraising was to cover bills for expenses Saltzman felt were necessary to run a good campaign.¹⁸ He ended the election with a balance of \$5,151, and accounts payable of \$2,213.

Saltzman also said he would cap individual contributions at \$500, but exceeded this limit with \$10,000 raised from 8 donors as summarized below.

¹⁷ Analysis by the Money in Politics Research Action Project.

¹⁸ *Oregonian*, May 13, 2006. Saltzman campaign tops fundraising cap; Fritz refuses extra aid.

Chart 3 – Saltzman Donors Who Gave Over Self-Imposed \$500 Cap on Cash Contributions

Saltzman contributor	Dollars raised after mid-July after setting \$500 cap on donation and reported in September 2005	Reported on 2006 primary reports
Marjorie Saltzman	\$1,000	\$1,000
Earle Chiles	0	\$1,500
Warren Rosenfeld	0	\$1,500
John S. Andrews	\$1,000	0
Tri-County Lodging Assn. PAC		\$1,000
Dennis Sivers	\$1,000	0
Robert S. Simons	\$500	\$500
IBEW 48 Electricians PAC	\$500	\$500

Although Saltzman didn't hold to his overall cap on individual contributions, he had received considerable larger contributions in previous contested primaries.

By contrast Burdick's private money fundraising was dominated by very large donations from special interests. For example, after the second disclosure report was filed the *Oregonian* reported, "Many of her new donations came from Portland's business elite – the same group that encouraged her to run."¹⁹ Many big business campaign contributors supporting Burdick have also opposed Voter-Owned Elections. Twenty-five percent of Burdick's campaign dollars came from donors who also contributed to the \$350,000 spent on the failed initiative campaign to repeal VOE. These VOE opponents and related companies gave \$450,000 – nearly one out of every five dollars – to Portland candidates in 2004.²⁰

"These big money donors are not typical Portland residents," said Jeremiah Baumann with Oregon State Public Interest Group (OSPIRG). "Voter-Owned Elections replaces a broken system dominated by special interest campaign contributions." OSPIRG is a member of the Friends of Voter-Owned Elections coalition.

Influence of city unions is also changed due to VOE. AFSCME Council 75 and the Portland Fire Fighters Association made in-kind contributions to Erik Sten that totaled just \$1,512. This is in stark contrast to past union contributions to city candidates. In the 2004 elections the Portland Fire Fighters gave \$17,250 to Nick Fish and \$5,500 to Randy Leonard, while various branches of AFSCME gave \$37,405 to Fish, \$32,110 to Jim Francesconi, and \$2,500 to Leonard.

Typical Portlanders Across the City Find New Opportunities

One striking difference between private money fundraising and qualifying contribution and seed money fundraising by VOE candidates is where the dollars come from in Portland.

As shown on Chart 4, VOE support for Erik Sten and Amanda Fritz comes from a much more diverse range of neighborhoods, compared with private money fundraising done by Ginny Burdick, Dan Saltzman, and Dave Lister.

¹⁹ *Oregonian*, May 5, 2006, Campaigns warm up for final stretch.

²⁰ Analysis by Money in Politics Research Action Project. <http://friendsofvoe.org/files/basic.pdf>

Chart 4 – Location of Contributions by Neighborhood Coalition Areas²¹

	Private Money System	Voter-Owned Elections
Candidate self-funded	9.3%	0.0%
Unclaimed/Unknown	12.3%	4.8%
Outside Portland	15.8%	9.2% ²²
Downtown	21.6%	6.1%
West/Northwest	17.9%	11.6%
Southeast Uplift	5.6%	18.7%
Southwest	5.7%	16.6%
Southwest Hills	5.5%	2.8%
Northeast	2.4%	17.4%
East Portland	1.3%	2.4%
Central Northeast	0.8%	5.4%
North Portland	0.6%	4.7%
Unaffiliated Neighborhoods	1.1%	0.2%
	100.0%	100.0%

North Portland neighborhoods as well as neighborhoods in East, Central Northeast, and Northeast coalition areas made negligible contributions to private money fundraising but are more significantly represented in support to VOE candidates. VOE support was also more extensive in Southeast Uplift and Southwest coalition neighborhoods. Support from Downtown, West/Northwest, and Southwest Hills was dominant in private money fundraising but much less of a factor in support to VOE candidates.

“Everyday Portlanders can be genuinely involved because of Voter-Owned Elections since a \$5 contribution counts the same from a working Portlander as from somebody making \$500,000 a year,” said Jo Ann Bowman, associate director of Oregon Action, a member of the Friends of Voter-Owned Elections coalition.

Campaign Spending Reduced

Because VOE has leveled the playing field in both races involving incumbents, it is helpful to compare 2006 primary spending with another recent competitive primary, the 2004 contested race between now-Commissioner Sam Adams and Nick Fish.

Campaign spending in the 2006 primaries do not approach the total primary expenditures made by Fish and Adams. In fact, all four campaigns together spent \$40,000 less in the 2006 primary than the Fish and Adams campaigns spent in the 2004 primary.

²¹ Analysis done by Chris Smith, neighborhood activist and computer whiz; includes contributions reported through the 2nd Pre Primary election report.

²² Seed money contributions can come from any entity allowed to make contributions under Oregon state law and, unlike qualifying contributions, can come from outside of Portland.

Chart 5 – Campaign Spending Comparison Between Adams/Fish and 2006 Primaries

2004 Spending				
Candidate	1 st pre-primary report	2nd pre-primary report	Post-primary report	Primary totals
Adams	\$126,228	\$117,187	\$192,518	\$435,933
Fish	\$146,716	\$132,272	\$86,450	\$365,439
<i>totals</i>	<i>\$272,945</i>	<i>\$249,459</i>	<i>\$278,968</i>	<i>\$801,372</i>
2006 Spending				
Candidate	1 st pre-primary report	2nd pre-primary report	Post-primary report	Primary totals
Saltzman	\$52,311	\$106,345	\$7,690	\$166,497
Fritz	\$35,737	\$71,387	\$40,378	\$147,499
<i>totals</i>	<i>\$88,048</i>	<i>\$177,732</i>	<i>\$48,068</i>	<i>\$313,996</i>
Sten	\$63,052	\$43,810	\$98,010	\$204,894
Burdick	\$96,882	\$36,863	\$105,979	\$241,995
<i>totals</i>	<i>\$159,934</i>	<i>\$80,673</i>	<i>\$284,662</i>	<i>\$446,889</i>

Qualifying Process Proves Suitably Difficult - Needs Assertive Administration

The 2006 primaries also look considerably different from another recent primary involving an incumbent. In 2004, Commissioner Randy Leonard faced an assortment of neighborhood activist challengers. In the 2004 primary, \$310,239 was raised by all the candidates. Most of that (\$261,885 or 84%) was raised by incumbent Leonard.

Even though he faced six candidates who raised at least some campaign cash, Leonard won outright in the 2004 May primary. The strategy of fielding enough challengers to force a November runoff wasn't successful. This approach, however, raised early concerns that Voter-Owned Elections would result in a flood of candidates opting into the system not so much to win in the primary, but to force a general election run-off.

However, the \$5 qualifying contributions have proved considerably harder to collect than critics claimed. For example, candidate Mike Casper – the first to declare an intent to qualify under Voter-Owned Elections – told *Willamette Week* in August 2005²³ that it would be easy. Casper didn't qualify and at a March 2006 League of Women Voters of Portland forum expressed strong support for the reform system but acknowledged that qualifying was harder than he anticipated. Casper also told the Citizen's Campaign Commission that oversees the reform program that the qualifying threshold is set at an appropriate level.

Indeed, the qualifying threshold of 1,000 signatures and \$5 qualifying contributions seems to have “hit the sweet spot” with candidates who have grassroots networks and the organizational skills to meet the qualifying requirements while not allowing for a flood of “hobby” candidates to receive public support. Thirteen candidates indicated their interest in qualifying but only three

²³ Willamette Week, August 3, 2005, Mike Casper, First declared Portland City Council candidate talks politics while tending bar

achieved the bar. One of those, Emilie Boyles, was decertified as a participating candidate and has been charged with violations of the qualifying procedures, as has her campaign consultant.

It does not appear that Boyles should have been certified in the first place due to violations of the ordinance as written. Boyles's inappropriate certification points to the need for more assertive administration as allowed under current rules as well as additional safeguards. The Citizens Campaign Commission is conducting a broad review and proposing improvements. It should also be noted that Boyles was disqualified as a VOE candidate because of spending violations. Boyles has returned over half the city money she was allocated and collection proceedings are underway to recover all the funds.

Critics have cited the Boyles violations as fatal flaws, but in reality these problems were uncovered and dealt with much more swiftly and decisively than violations of the private money fundraising system that VOE replaces. For example, an indictment against Boyles's campaign consultant was returned 9 months compared with the 26 months it took to return indictments on violations of Texas campaign finance laws in the scandal that contributed to the resignation of Tom Delay.

VOE Addresses Independent Expenditures

There were no independent expenditures during Portland's 2006 primary elections. But how the VOE system addresses such spending, should it arise in the future, merits discussion.

Independent expenditures (campaign spending made without consultation or coordination with the candidate) are a common result of campaign finance reform, particularly contribution limits strategies. Political players have mixed feelings about independent expenditures. Candidates will often bemoan the loss of control over campaign message when independent expenditures are made on their behalf and without their approval. Other organizations may prefer to do independent expenditures if they feel they are good messengers for particular target audiences. Independent expenditures may also be more negative than a message likely to be made directly by a candidate.

Regardless of your opinion on independent expenditures, courts have ruled that limiting them has been found to be unconstitutional²⁴. Public financing systems address independent expenditures more effectively than contribution limit strategies. VOE provides participating candidates with additional funding for more speech if they are targeted by independent expenditures that benefit opposing candidates who have already reached overall spending limits. Providing matching funds triggered by independent expenditures have been found to be constitutional.

²⁴ The one exception is that courts have upheld limits on independent expenditures with funds from either union or corporate treasuries.