

**FIRST RETURNS  
ON A CAMPAIGN FINANCE REFORM EXPERIMENT  
Maine, Arizona and Full Public Funding**

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The 2000 elections saw the first-run testing in two states of a new campaign reform called Clean Elections by its proponents, a voluntary system of full public funding for candidates who generally agree to forego private fundraising. Candidates in Arizona and Maine could opt into this system of public financing, due to voter-passed initiatives that in each state withstood court challenges.

A review of campaign contribution information [\[1\]](#) for legislative candidates in the two states shows that public financing as well as the alternative contribution limits each state enacted cut private funds in the Maine legislative elections by half and in Arizona by 9 percent. It also appears to have put challengers on better financial footing and to have opened the doors for new candidates.

In Maine, legislative candidates who qualify for public financing are eligible for up to \$4,393 in public financing for a contested House seat and \$17,244 for a contested Senate race. Arizona legislative candidates are eligible for \$10,000 for a contested primary election and an additional \$15,000 for a contested general election. In both states, participating candidates also are eligible for additional matching funds if they face privately financed opponents who raise more than the public funding levels.

In Maine, 31 percent of the legislative candidates opted for public funding while 25 percent in Arizona did.

With only one election to study and the majority of candidates still privately funded, it is too early to draw conclusions. However, some patterns did emerge from these elections:

## Money:

Public funding authorized in **Maine** totaled \$973,432 for the 2000 legislative elections, compared with private contributions of \$1,599,071, which declined 49 percent from 1998 when private funds totaled \$3,134,304. Candidates actually returned \$107,817 to the Clean Election Fund that was not used during the election.

Public funding in **Arizona** totaled \$1,713,739, compared to \$4,063,888 in private funds, which declined by 9 percent from 1998. That election cycle, private funds totaled \$4,456,837.

Despite the limits, the total money in **Arizona** politics increased nearly 29 percent, while money in **Maine** politics decreased 18 percent.

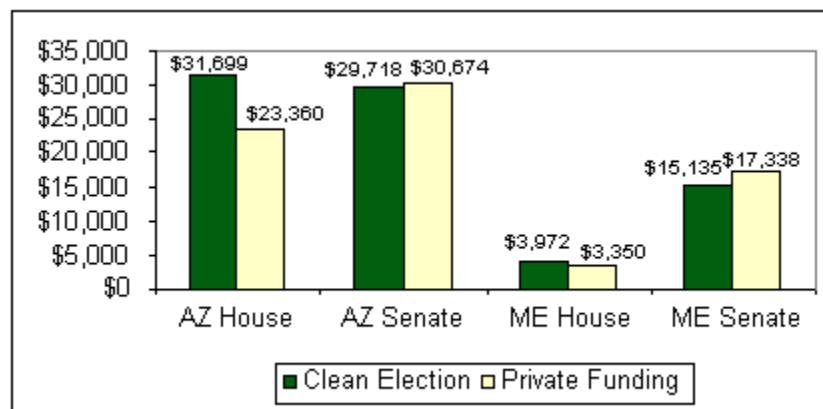
## Candidates:

The number of candidates increased from 188 to 212 in **Arizona**, a 13 percent increase, while the number of incumbents running decreased from 66 to 56.

The number of candidates increased from 407 to 426 in **Maine**, a 5 percent increase, while the number of incumbents running decreased from 151 to 139.

Challengers and open-seat candidates were somewhat more likely to opt into the Clean Election system (34 percent) than were incumbents (26 percent).

Candidates who elected into the public funding system were better funded, on average, than those who raised funds from private sources. Clean Election candidates had 21 percent more money in **Arizona** and 34 percent more money in **Maine**.



	ARIZONA			MAINE		
	Total \$	# Cands	Avg \$/Cand	Total \$	# Cands	Avg \$/Cand
CE House	\$1,267,960	40	\$31,699	\$373,370	94	\$3,972
Non CE House	\$2,499,494	106	\$23,360	\$830,852	248	\$3,350
CE Senate	\$445,763	15	\$29,718	\$605,418	40	\$15,135
Non CE Senate	\$1,564,394	51	\$30,674	\$762,863	44	\$17,338
<b>CE LEGIS</b>	\$1,713,739	55	<b>\$31,159</b>	\$978,788	134	<b>\$7,304</b>
<b>Non CE LEGIS</b>	\$4,063,888	157	<b>\$25,885</b>	\$1,593,715	292	<b>\$5,458</b>

### Winners/Losers

In both states, perhaps the most remarkable change was the leveling off of funding between winners and losers, suggesting more competitive races. Losing candidates in **Maine** raised an average of 78 percent of what winners raised in 2000, compared to only 53 percent in 1998.

	ARIZONA			MAINE		
	Total \$	# Cands	Avg \$	Total \$	# Cands	Avg \$
House Winners	\$2,019,099	60	<b>\$33,652</b>	\$679,570	151	<b>\$4,500</b>
House Losers	\$1,748,371	86	<b>\$20,330</b>	\$518,068	148	<b>\$3,500</b>
Senate	\$975,867	30	<b>\$32,529</b>	\$728,113	35	<b>\$20,803</b>
Senate Losers	\$1,034,190	36	<b>\$28,728</b>	\$625,469	46	<b>\$13,597</b>

Winning candidates in the Arizona Senate raised 20 percent less, on average, than they did in 1998, while winning House candidates raised 14 percent more than in 1998.

Losing candidates in **Arizona** raised an average of 69 percent of what winners raised in 2000, compared with 46 percent in 1998.

### **Incumbents/Challengers**

Incumbents running for re-election in **Arizona** and **Maine** did not enjoy the 2:1 funding advantage they had in past elections. Arizona challengers raised 77 percent as much as incumbents, and Maine challengers raised 78 percent as much as incumbents. Average amounts raised by incumbents declined in both states, 12 percent in Arizona and 39 percent in Maine, while non-incumbents raised more than in past elections or trailed their opponents fundraising by a smaller percentage.

	<b>Incumbents</b>		<b>Challengers</b>		<b>Open Races</b>	
	# Candidates	Avg\$	# Candidates	Avg\$	# Candidates	Avg\$
Arizona 98	66	<b>\$36,336</b>	70	<b>\$14,257</b>	52	<b>\$22,846</b>
Arizona 00	56	<b>\$32,071</b>	81	<b>\$24,643</b>	75	<b>\$26,515</b>
Maine 98	151	<b>\$10,345</b>	163	<b>\$5,606</b>	93	<b>\$7,081</b>
Maine 00	139	<b>\$6,265</b>	152	<b>\$4,868</b>	135	<b>\$7,124</b>

Incumbents comprised 37 percent of the candidates in **Maine** in 1998 and 33 percent of the candidates in 2000. Incumbents comprised 35 percent of the 1998 candidates in **Arizona** and only 26 percent in 2000. Arizona incumbents faced 16 percent more challengers, while Maine incumbents faced 7 percent fewer challengers.

### **In Maine**

Clean Election candidates in Maine matched the success rates of the other candidates: they were 31 percent of the candidates and 33 percent of the winners. Forty of the 84 Senate candidates and 94 of the 342 House candidates took part in the Clean Elections program; of those 134 candidates, 62 won office.

Clean Elections legislative candidates as a whole raised, on average, more money than their privately financed opponents. Participating House candidates received an average of \$3,972 for their races, compared with the \$3,350 average raised by their opponents. Participating Senate candidates however, received an average of \$15,135, slightly less than the \$17,338 average raised by their opponents.

In addition, the traditional funding gaps between challengers and incumbents and between winning and losing candidates narrowed significantly in the 2000 elections. Incumbents raised an average \$6,265 in 2000, compared with \$10,345 in 1998, a 39 percent decrease; challengers raised an average \$4,868 in 2000, slightly lower than the average \$5,606 raised in 1998, a decrease of 13 percent. But as a result, the average for challengers in 2000 was 78 percent the amount incumbents raised, compared to 54 percent in the 1998 elections.

The average Senate winner raised \$20,803, compared with the average \$13,597 raised by a losing candidate. In 1998, winners raised an average of \$24,812, compared with the average \$15,620 raised by losing candidates. In the House, winners raised an average of \$4,500 in 2000, down from the average \$7,203 raised in 1998. Meanwhile, losing candidates raised an average \$3,500, up from the \$3,345 raised in 1998.

A significant number of candidates 43 in the House and three in the Senate withdrew from the Maine 2000 elections without raising significant amounts of money. If they are excluded from the figures, Clean Election candidates as a whole still raise on average more than non-participating candidates. The averages for both participating and non-participating House candidates becomes even, and in the Senate, the non-participating candidates continue to raise more than Clean Election candidates.

The overall number of candidates also increased in Maine. While the number of incumbents and candidates running as challengers declined, those seeking open seats increased by 31 percent.

The patterns of incumbency are complicated by the impact of term limits, enacted in 1996, and the resulting increase in open races as well as the migration of incumbents from House to Senate. In both the Maine House and Senate, the number of open race candidates increased significantly between 1998 and 2000. Sixteen of the 39 open House races in 2000 involved incumbents who had met their term limits. An additional seven House races were open because incumbents who were not term limited ran for the Senate, instead. Seven of the 13 open Senate seats involved incumbents who had met their term limits.

The number of Maine Senate incumbents declined by one-fourth from 1998 to 2000, from 30 to 22. However, when a member of the House runs for the Senate, that candidate enjoys many of the benefits of incumbency. If these candidates are counted as incumbents, then the numbers change to 31 incumbents in 1996, 35 in 1998 and 33 in 2000, still showing a decline but a smaller one, as shown in the parenthetical numbers in the chart below. In 1996, 26 House members were term limited, and eight of them ran for Senate seats; in 1998, 11 House members were term limited, and five of them ran for the Senate; and in 2000, 16 House members were term limited, and four ran for the Senate. No Senate incumbents switched to House races in 2000.

	Office	Total Cands	Incumbents	Non Incumbents
*Maine 96	House	308	103	205
Maine 98	House	332	121	211
Maine 00	House	342	117	225
*Maine 96	Senate	71	<b>23 (31)</b>	<b>48 (40)</b>
Maine 98	Senate	75	<b>30 (35)</b>	<b>45 (40)</b>
Maine 00	Senate	84	<b>22 (33)</b>	<b>62 (51)</b>

\*General election only

The ratio of Democratic to Republican candidates between 1998 and 2000 remained the same, with Democratic candidates consistently outnumbering Republican candidates. However, the two parties are on a fairly close financial par in Maine, with Republicans actually raising slightly more than Democrats. In both the 1998 and 2000 elections, Democrats raised 94 percent of the amount Republicans raised. On average, Democratic candidates raised 81 percent of the amount Republican candidates raised, and the per-candidate average for both parties declined 20 percent in 2000, compared to the previous election cycle.

	Republican			Democrat		
	# Cands	Total \$	Avg \$/Cand	# Cands	Total \$	Avg \$/Cand
Maine 98	181	\$1,600,375	<b>\$8,842</b>	208	\$1,501,639	<b>\$7,219</b>
Maine 00	184	\$1,295,113	<b>\$7,039</b>	212	\$1,213,266	<b>\$5,723</b>

In both 1996 and 1998 the largest percentage of dollars came from contributions of less than \$250. In 2000, that changed. The largest percentage (19 percent) came from the \$250-\$499 range, which reflects the new limits of \$250 per candidate per election, or \$500 per election cycle. Also, gifts of \$500 and above virtually disappeared in the 2000 elections unless they came from candidates financing their own campaigns.

### **In Arizona**

Clean Elections candidates in Arizona made up 25 percent of the legislative candidates, but represented just 18 percent of the winners. Fifteen of 66 Senate candidates ran with Clean Elections Act funds, and 40 of 146 House candidates participated in the program. Twelve Clean Elections candidates won in the House, while four won in the Senate.

House candidates participating in the Clean Elections Act program received, on average, more money than nonparticipating candidates raised \$31,699 for participating candidates and \$23,360 for non-participating candidates. However, Clean Election Senate candidates received slightly less an average of \$29,718, compared with the average \$30,674 for nonparticipating candidates.

The average amount raised by challengers for House seats increased by more than \$10,000, from \$14,257 in 1998 to \$24,643 in 2000. And incumbents, on average, raised less in 2000 \$32,071 compared with \$36,336 in 1998.

Winning House candidates raised, on average, more in 2000 than they did in 1998, as did losing House candidates. In the Senate, winners raised less on average than they did in 1998, whereas

losing candidates raised more. On average, Senate general elect losers actually raised more than Senate winners.

Winning House candidates raised an average of \$33,652 in 2000, compared with \$29,615 in 1998; losing candidates raised an average of \$20,330 in 2000, as compared to the average of \$14,989 raised in 1998. In the Senate, winning candidates raised an average of \$32,529 in 2000, while losing general election candidates raised an average \$38,920. In 1998, winners raised an average \$39,992, while losing candidates raised only \$16,047, on average.

The number of legislative candidates in the 2000 elections increased 13 percent, while the number of candidates running as challengers or seeking open seats increased by 28 percent.

Republican candidates both outnumbered and outraised Democratic candidates in Arizona. In total, Democratic candidates raised 45 percent of the amount Republican candidates raised in 1998 but narrowed the gap in 2000, raising 60 percent of the amount Republicans raised. Because there are fewer Democratic candidates, on a per-candidate basis they averaged 55 percent as much as the average Republican candidate in 1998 and 72 percent as much in 2000.

	Republican			Democrat		
	Total \$	# Cand	Avg	Total \$	# Cand	Avg
Arizona 98	\$3,033,455	97	<b>\$31,273</b>	\$1,371,681	80	<b>\$17,146</b>
Arizona 00	\$3,552,392	113	<b>\$31,464</b>	\$2,114,941	93	<b>\$22,741</b>

### Independent Expenditures

In both states, independent expenditures could be made on behalf of candidates. These expenditures, which include such things as advertisements and mailings, are not included in the Institutes data, because of the difficulties posed by reporting requirements.



In Maine, though, Clean Election candidates received matching funds to make up for independent expenditures made on behalf of opposing candidates. However, there was confusion over whether some independent expenditures were actually promoting an issue rather than a candidate.

### **How The Clean Election Laws Work**

Candidates in both Maine and Arizona can opt into the public financing system by agreeing to take no private money other than the minimal amounts they must, under the law, raise to qualify for public funds and a minimal amount of seed money they may raise in addition. They also must agree to spending limits, while in both states, non-participating candidates face limits on contributions they may accept.

**In Maine**, candidates qualify for public funds by raising a set number 150 per state Senate and 50 per state House candidate of \$5 contributions from registered voters in their district. They also may raise a limited amount of seed money contributions a \$1,500 for Senate candidates and \$500 for House candidates that must come from individuals and cannot exceed \$100 per contribution.

Once they qualify, Maine legislative candidates are eligible for up to \$4,393 in public financing for a contested House seat and \$17,244 for a contested Senate race. The limits are lower if the races are uncontested, and they can be raised if a participating candidate is outspent by a privately financed candidate.

In addition, legislative candidates who do not participate are now limited to \$250 maximum contributions from any contributor, down from the previous limits of \$1,000 for individuals and \$5,000 for corporations, unions and political action committees (PACs).

**In Arizona**, legislative candidates must raise \$1,000 in 200 separate \$5 contributions to qualify for Clean Campaign Act funds. During the exploratory and qualifying period, candidates also may accept up to \$100 from each individual (defined as a qualified elector of the district for which the candidate is seeking office). Early contribution limits depend on the office sought: up to \$40,000 for gubernatorial candidates and \$2,500 for legislative candidates. In addition, legislative candidates may contribute only \$500 of

their own money to their campaigns, while statewide candidates may contribute a maximum of \$1,000.

Legislative candidates who qualify for public funds are eligible for \$10,000 for a contested primary election and an additional \$15,000 for a contested general election. And should a privately financed opponent spend more than those limits, the Clean Election candidate can receive matching funds beyond the initial limit.

In addition, non-participating candidates face limits on the amount individuals and PACs may contribute. In 2000, the limits for contributions to local candidates were \$256 from individuals or PACs; \$1,304 from certified Super PACs; and a \$6,512 combined total from all PACs other than political parties. Statewide candidates faced limits of \$656 from individuals and PACs; \$3,265 from Super PACs; and a \$65,144 combined total from all PACs other than political parties.

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[1] The Institutes information is based on campaign finance reports filed by legislative candidates in Maine and Arizona. After inputting the data from the reports, Institute staff audit the files to ensure the information is as accurate as possible. The Institute looked at all contributions to all candidates in both the primary and general elections.