

**COMMISSION TO STUDY THE FEASIBILITY OF PUBLIC FUNDING OF
STATE ELECTION CAMPAIGNS—Chapter 55, Laws of 2008**

**Minutes of Commission Meeting to Receive Public Testimony
September 02, 2008**

The meeting to receive public testimony of the Commission to Study the Feasibility of Public Funding of State Election Campaigns, established by Chapter 55 of the Laws of 2008, was held in Rooms 201-203 of the Legislative Office Building, Concord, New Hampshire, on September 02, 2008 at 4:00 p.m., according to notice. All Commission members were present for some or all of the public testimony.

At 4:10 p.m., the Chairman, Cmr. Brad Cook, gavelled the meeting to order, welcomed the Commissioners and members of the public and introduced the Commission's task as defined by law and the meeting's purpose to receive public comment on the Commission's task. Those wishing to give testimony were invited to sign up on a sheet of paper for that purpose. The following people testified in order:

Representative Peter Allen, one of the sponsors of HB 794, suggested that the Commission look to other states for work already done, for example, the Maine Clean Elections Report of 2007. He also introduced and handed out copies of a report on NH expenditures for Governor, Executive Council and state Senate races for NH elections held in 2004 and 2006. This report was later identified as being the work of the New Hampshire Coalition for Public Funding of Elections.

Linda Garrish Thomas representing the New Hampshire Citizens Alliance, an organization with a long history of working on this issue, spoke about the importance for success of this Commission's task so that, among other things, many more 'regular' people can be elected when there is a level playing field.

When asked by Cmr. Cook whether she had any ideas for funding, she responded that the funding needs to be a shared responsibility, that perhaps the Commission could look at adapting existing programs in other states, and that the state needs to have the will to make a change.

When asked by Cmr. Comstock-Gay which state offices she would recommend be publicly funded, she responded that she believed the cost of state Senate races are significant, that House races can be expensive, and that she hoped to see public funding of state elections across the board.

Peg Fargo, representing the League of Women Voters, said she agreed with Linda Thomas of the NH Citizens Alliance that it was important to move ahead. She recognized that it won't be easy and thought that public funding should begin with the state's top offices. She suggested that the Commission might consider moving ahead in chunks with a step-by-step plan and let success build.

When asked by Cmr. Abrash Walton whether the League had an opinion on raising funds from private sources, she suggested that the Commission look at everything.

Senator Martha Fuller Clark representing District 24 spoke as a strong supporter of public funding of elections. She said she has had experiences of needing between \$100,000 - \$200,000 for the state Senate race. She also said that it was time-consuming, stressful and an inappropriate use of the talents of those running for office to need to fund-raise at those levels. She suggested that the Commission look at the legislation that Americans for Campaign Finance Reform was working on at the national level and try to make any NH state language consistent with that. She suggested that funds be made available to those who meet a designated threshold and that there should be different thresholds for different state races. She hoped that ideas the Commission came up with would not have 'loopholes' like 527s. She spoke about the cost of advertising on TV, radio, and in newspapers driving up the cost of campaigns. She suggested the Commission consider a surcharge on political advertising in the state of New Hampshire as a funding mechanism and cautioned that it be crafted in such a way that it meets the parameters of the Legislature. She also stated that there is a big lobby against this.

Cmr. Comstock-Gay asked if Senator Fuller Clark was referring to the Durbin Bill when she spoke about legislation at the national level and Senator Fuller Clark responded in the affirmative.

She also spoke about the need for free advertising for political campaigns and said that she could supply the Commission with the name of a group trying to bring this about on the national level.

Cmr. Abrash Walton asked Senator Fuller Clark what other factors were increasing the costs of elections besides advertising and the Senator responded by stating that the increase was mostly attributable to the need to go on radio.

Cmr. Cook asked Senator Fuller Clark whether a media surcharge wouldn't increase election costs and she responded that she thought it would but at the same time it would provide money for leveling the playing field.

She suggested the Commission look at what amount of money should be available at each level and how much money overall needs to be raised. She said that it probably would not be adequate to raise public funding money privately over time, especially with the increasing costs of media markets.

She suggested that extended terms for certain offices be considered. Currently, NH and Vermont were the only two states that had two-year terms for Governor. State Senate terms could be different than state House terms. She said that the creation of at-large districts had created more expensive races.

Cmr. Cook inquired about Senator Fuller Clark's idea of putting a surcharge on political advertising as it related to the need for using the Boston media market. The Senator responded that the money threshold needs to be adequate for a person running for office to develop name recognition and recognition for their policies so that they can get a foothold in NH. She didn't think that the Commission needed to worry about Boston. She also suggested that YouTube and other Internet web sites were a way to break through into larger markets.

Cmr. Abrash Walton wanted to know about the change that had occurred in campaign costs since the early 1990s. Did lifting the ban on corporate contributions mean that more money was coming from out-of-state? Senator Fuller Clark said it was important to look at the money raised by the parties and how that is being spent on the state level. She thought that the bulk of campaign contributions came from individuals, not from corporations.

Doris "Granny D" Haddock said she would limit her testimony to two minutes. She said that some thirty states and some cities and towns are working on this issue. We are seeing a citizens' movement from the grassroots. New Hampshire, Vermont and Connecticut can be models for the nation and contribute toward saving the world.

Representative Dick Drisko from Hillsborough District 5 spoke about the history of the subcommittee's work on the issue of public funding of state elections. He said that the original bill was voted out of the subcommittee with a unanimous vote to go ahead. It had quasi-public/private funding ideas and structure. The reason for subsequent amendments was that there was no political will in the legislature. The vote against the bill in the Election Law Committee was because of the great concern of how to pay for it. Things were subsequently stripped out and it came to the Governor without key elements in it.

Cmr. Comstock-Gay asked whether Representative Drisko had any helpful funding ideas. Rep. Drisko said he would yield to Rep. Jim Splaine on that. He thought public funding of state elections is a good idea, but there isn't the political will to do it.

Cmr. Reubens asked how Rep. Drisko thought the house would vote if it could be done for free. Rep. Drisko replied that it would be fine if no money were needed. Cmr. Reubens asked if this was the prime roadblock and Rep. Drisko replied in the affirmative.

Cmr. Cook asked whether Rep. Drisko knew of any clever funding mechanisms. Rep. Drisko responded by saying that until something is done about the general revenue stream, none of these problems will be solved.

Representative Jim Splaine from Rockingham District 16 said that he had been involved in this cause since 1999. He had previously sponsored bills about this issue that he would supply to the Commission. He said that the original bill did have structure and funding mechanisms such as voluntary check-off systems for licenses and private/public partnerships with media.

Rep. Splaine said that the dilemma is to come up with out-of-the-box thinking. We haven't tapped movie tickets yet. We needn't reinvent the wheel, but we may. The state of Maine has everything needed for the state of Maine to make it work. Connecticut law has a lot to teach us as does the Just \$6 Campaign. Rep. Splaine suggested that perhaps the Commission consider the idea of starting with a specific office such as Governor. He said that the Commission needs to come up with funding, but maybe they didn't. It would be ideal, but public funding is important and necessary. There is an obligation to come up with a report by December 01, 2008. If the Commission were to decide that they could not fund it anyway but through the General Funds, the cause would still go forward.

Rep. Splaine said that he had a lot of information that he would send to the Commission to help them in their work.

Representative Betty Hall from Hillsborough District 5 who has served fourteen terms in the NH House since 1971-72 is a cosponsor of the legislation that created this Commission. She said that the funding of campaigns and parties are inextricably connected. She thought that nominating papers were a good method for qualifying people running for state Senate to get on the ballot. She said that public financing encourages pounding of the pavement and one-on-one contact with the voters. The more money you need, the less contact you have with the voters. She asked what would happen to primaries if we adopted a system of nominating papers? The norm is to have incumbents running unopposed over and over again and it is a loss.

The state pays a lot for primaries. Perhaps the Commission should consider letting the parties pay for the primaries. It would save the state a lot of money. Rep. Hall suggested that there was a need for more education of voters and a need for a different way to get candidates. She said that the parties are buying the candidates and the electorate doesn't like it.

Cmr. Hilton asked what part the independent voter or undeclared voter would play in a system where the primaries were paid for by the parties, Rep. Hall responded by saying that today there are more undeclared voters in many towns than there are Republicans or Democrats.

Dan Burnham testified that campaign finance reform was badly needed. He is a former state legislator from Dublin, NH. He thanked the Commission and spoke about what he considered strategically important issues. He thought that a basic problem is that, at \$100 a year, legislators don't get paid enough. A fundamental drawback to the current system is that those that run have to have the financial ability to do it. NH is the only legislature that does this. Also, the burden of raising funds is on the candidates. There is a double whammy in that one doesn't earn any money if one gets elected and one must risk a lot of money to run. The average amount to run for state Senator is now \$100,000. A candidate must seek outside financing to run within the state.

Nationally, Mr. Burnham believes that voters widely approve of public funding of elections. The problem is not the public. By petition, public funding of elections has been accomplished in other states including Massachusetts where the legislature there proceeded to refuse to fund it. Legislators are against it. What is the problem that legislators have with it? The Commission should try to identify this issue. Mr. Burnham summed up by saying that the Commission must deal with these problems in order to make the Commission work worthwhile.

Alexander Lee, chair of the Merrimack County Democrats, said that it is important that we get public money for public funding through the general fund. He suggested that a way to tackle the problem might be to gather from various candidates' budgets the figures for what people are spending their money on. Where can people save money? It is important to waste less resources and money. Paying the legislators a higher salary would help more people run for office. Shrinking the legislature was another option.

Cmr. Comstock-Gay asked what offices Mr. Lee thought should be covered by public financing and Mr. Lee responded that he thought the Governor, the Executive Council and the Senate should be covered. He thought that a problem with the House was there was an inequity for single member districts.

Cathy Silber spoke representing the New Hampshire Coalition for Public Funding of Elections. She gave Chairman Cook two discs of data and gave all Commissioners copies of the report on expenditures in NH elections previously introduced by Peter Allen. She said that there were two main issues: the size of the fund and the source of the fund.

Speaking to the issue of the size of the fund the Commission must consider which offices the fund is to cover. She believes it should cover the races for Governor, Executive Council and state Senator. She did not believe that the races for the state House should be included now. What, she asked, does it cost to run competitive campaigns for these races now? The data she submitted presents what they spent for these races in 2004 and 2006. The allocation amount must be enough.

Ms. Silber recommended that the Commission review the expenditure data with state Senators. She recommended that the Commission study 'best practice' recommendations. There was a discussion about allocation formulas and a reference to Section 117, public campaign model legislation. She suggested that the Commission study participation rates over time. She mentioned the sources that the Commission had been given by the Coalition and the overview of public funding currently in place. There are sources of information on tax add-ons, check-offs, fines, fees, etc. used by most states to fund public financing of elections.

Cmr. Rauh noted that page 51 of the Durbin-Spector Bill currently in the U.S. Senate calls for an independent commission that would be responsible for making sure the funding is adequate.

Ms. Silber offered to send the Commissioners the source links online. Commissioners would like that very much.

Cmr. Reubens suggested that it might be helpful to add the 2002 Gubernatorial Republican Primary election information to this data.

Cmr. Reubens asked about the extent of independent spending on the election. He asked whether the Commission must be concerned with this in addressing the issue of how much is enough. The Commission needs to look at parties. Parties are getting the money. Cathy Silber and Debbie Sumner will help get this information for the Commission. Open Secrets is a good website for this information.

Cmr. Cook asked Ms. Silber to please come to all the meetings and help the Commission.

Representative Bob Perry from District 3 said he fully supports HB 794. He says he recognizes corporate power all too well and that one of the towns in his district recently lost a local radio station in a buy-out. He said that the use of publicly owned airwaves should be considered.

Cmr. Rauh asked if Mr. Perry thought that public funding should be considered for state House elections. Mr. Perry said that he believed the cost will continue to increase but for now the top offices of Governor, Executive Council and Senate seats are the ones that needed to be worked on.

Representative Larry Brown from District 3 suggested that the goal was to think inside the box and mentioned Section 1, Article 12 of the NH Constitution. This section speaks to the value received and the need to contribute. *[Relevant section included: "Every member of the community has a right to be protected by it, in the enjoyment of his life, liberty, and property; he is therefore bound to contribute his share in the expense of such protection, and to yield his personal service when necessary."]* He suggested that the Commission consider the question "what do I get if I give money?"

Rep. Brown didn't think it would be useful to pay legislators more. He thought that would tempt people to stay and build empires.

He suggested that the Commission consider what was wanted in terms of funding for the primary versus the general elections and for which offices. He suggested that the Commission would do well to define this. He said he believed that the two-party system was still useful. He noted that no one had discussed the idea of a seesaw when trying to keep things equal. He was asked to define this and discussed the idea that in a hybrid system of public funding if there was \$100 to distribute, \$50 would go to candidate A and \$50 would go to candidate B. If one subsequently overspends, money could be drawn back from them and given to the other candidate.

Rep. Brown suggested that a business profit tax could be used as a lever for contributions given equally to both parties. He suggested reducing the time frame of the election

process itself. The British do it in ten weeks. He also suggested that highway signs might be allowed for a particular time period and candidates could pay for them.

Senator Jackie Cilley representing District 6 thanked all the cosponsors of HB 794 and talked about her humiliating and debilitating experiences begging for money during the 2006 Senate race. She said she was happy to sign on. The system is broken. It costs \$100,000 - \$200,000 for a \$100-a-year (\$89.67 after taxes) seat. Only people with a lot of resources can do this. She would like to make a living wage from the job. She said the current system is offensive to candidates and offensive to citizens.

On the question of what is enough, she believes it is very dependent on district. She spoke about the issue of media bias toward one party or another and how important it is to get a candidate's name and message out. Senator Cilley suggested that town lists might be worth a lot and that the Commission might want to consider the option of increasing the cost of these lists and assessing money for public funding from there. Another option worth considering might be the idea of assessing candidates, during campaigns, 50 cents per sign that they want to locate on State property.

In any event, Senator Cilley asked the Commission to please come up with a report that sanctions the idea of public funding of state elections. There is a need to recognize that this is a sound idea aside from the funding of it. She asked the Commission to look at as many options for funding as possible and to look at the Governor, Executive Council and Senate races.

Cmr. Reubens asked how does one surmise different district media costs? Senator Cilley replied that some expense is the media cost itself, but one also needs to consider what form of media is available in each district. She also reiterated the problem of the utter reluctance of the supposedly unbiased media making a decision they will not give any air space or print space to a candidate of a party they don't like.

Senator Cilley ended by saying that the recent Supreme Court decision makes the Commission's job that much harder.

Carol Wyndham read a prepared statement by **Deborah Pignatelli**, Executive Councilor from District 5 who couldn't make the public hearing. Ms. Pignatelli asked the Commission to look at all possible ways to minimize money coming from outside sources.

Lynn Chong suggested that the Commission consider using the language of sustainability believing that it might help them come to a choice of options for funding. She said the system is broken, like problems with the environment and we can't go on like this. Perhaps the Commission could adopt strategies and methods used in the issues of sustainability.

Seeing that there were no more people wishing to give testimony, the public meeting was adjourned at 6:52 p.m.

The Commission members who were present, (Cmrs. Comstock-Gay, Hilton, Cook, Rauh and Reubens) then went into a short discussion of the agenda for the upcoming substantive session on Friday, September 5, 2008. The agenda being decided, the meeting was adjourned at 7:15 p.m.

Respectfully submitted by **Commissioner Barbara Hilton, Secretary, pro tem,**