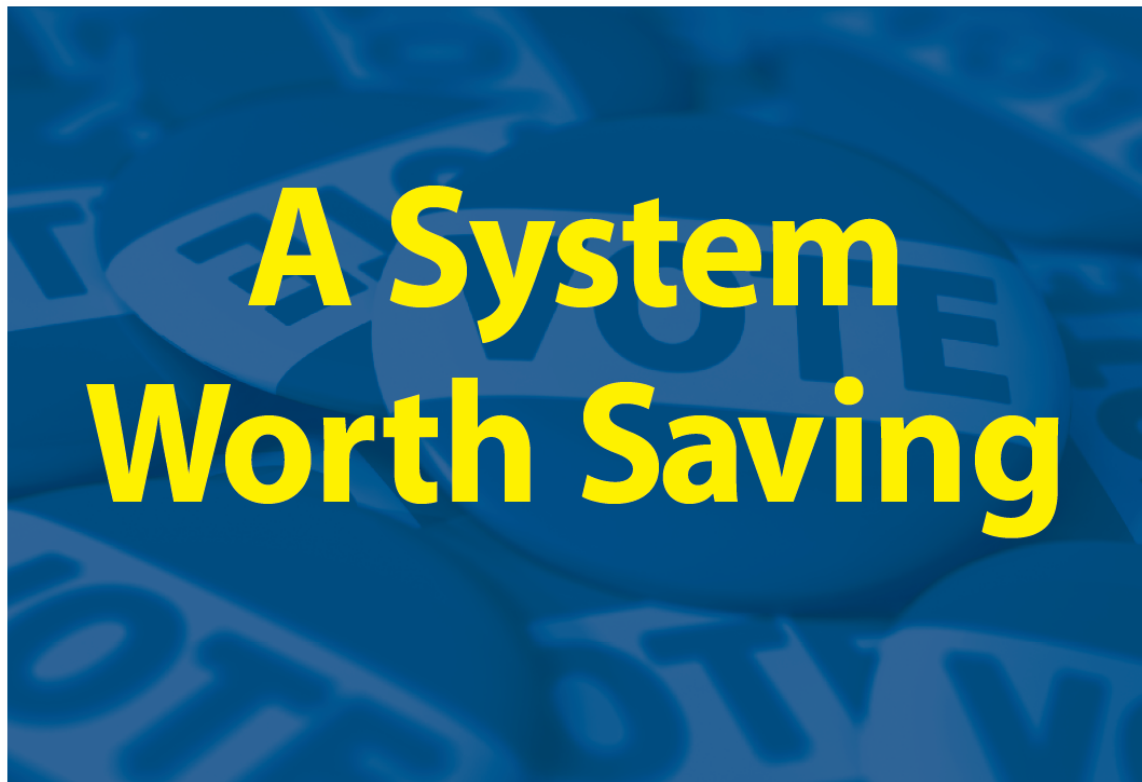


# **The Presidential Funding Act of 2007**



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## **Press Conference**

### **December 5, 2007**

- **BIPARTISAN GROUP INTRODUCES PRESIDENTIAL PUBLIC FINANCING FIX (Price, Shays, Feingold, Collins)**
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- **Public Citizen: Much-Needed Legislation Would Overhaul the Financing of Presidential Campaigns**

FOR IMMEDIATE RELEASE – December 5, 2007

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## **BIPARTISAN GROUP INTRODUCES PRESIDENTIAL PUBLIC FINANCING FIX**

*Legislation by Representatives Price, Shays and Senators Feingold, Collins Would Protect Integrity  
of Electoral Process and Reduce Role of Big Contributors*

Washington, D.C. – U.S. Representatives David Price (D-NC) and Christopher Shays (R-CT) and U.S. Senators Russ Feingold (D-WI) and Susan Collins (R-ME) have introduced legislation to repair and strengthen the presidential public financing system (**Price's remarks during a press conference today are included below**).

The Presidential Funding Act of 2007 addresses problems that have developed in the system, which was put in place following the Watergate scandal. The presidential public funding system is intended to protect the integrity of the electoral process by allowing presidential candidates to run competitive campaigns without becoming overly dependent on private donors. Also cosponsoring the legislation in the Senate are Joe Biden (D-DE), Hillary Clinton (D-NY), Chris Dodd (D-CT), Richard Durbin (D-IL), John Kerry (D-MA), and Barack Obama (D-IL). Other House cosponsors include Representatives Rahm Emmanuel (D-IL), Chris Van Hollen (D-MD), Mike Castle (R-DE), and Todd Platts (R-PA).

“Neither party is immune from the current fundraising arms race, which is why we need a bipartisan solution that will return the system to sanity,” Price said. “The voters win when all candidates can spend more time talking to the American people than raising money.”

“The Presidential public financing system is worth preserving and improving,” stated Shays. “Several factors -- including the front-loading of the primary process, the emergence of extremely wealthy candidates and the unpopularity of the tax check-off -- have combined to render the system of presidential public financing in serious need of repair. I am grateful for this bipartisan, bicameral legislation which makes several changes to the presidential public financing system to make the public financing system more attractive to candidates and more fair for those who choose to participate.”

“In the two decades since Watergate, public financing made presidential elections more competitive and reduced the appearance of corruption that accompanies a wide-open money chase,” Feingold said. “But the system clearly needs to be updated to increase voter confidence in the electoral process by making the candidates less dependent on wealthy contributors.”

“Current estimates are that the 2008 contest for the presidency of the United States will cost more than one billion dollars. As a result of these skyrocketing costs, candidates are going to be spending more time holding exclusive, high-dollar fund-raisers than meeting the voters and discussing the issues. Clearly, the system is flawed. The Presidential Funding Act of 2007 would make important and sensible improvements to our nation's campaign-finance system. This legislation would go a long way in helping to eliminate

special-interest money from the presidential campaigns and restoring the public's faith in the election process," said Collins

From 1976 to 2004, the presidential public funding system produced competitive elections in which Republicans were elected five times and Democrats three times, while challengers managed to be victorious in three of the six elections in which the incumbent was a candidate. But the front-loading of decisive primaries and the emergence of candidates able to raise money far in excess of the primary election spending limits have exposed the weaknesses of the current system. Both major party candidates accepted public financing for the 2004 general election, but candidates from both parties opted out of the primary election system. In the 2008 election, most of the leading candidates have declined to accept matching funds, and, for the first time since the system began, one or both major party nominees may refuse the general election grant in order to be able to spend unlimited money. The system will likely become even less attractive to candidates in the future if it is not revised and updated.

The bill is supported by a wide range of organizations supporting campaign reform including Americans for Campaign Reform, Campaign Legal Center, Common Cause, Committee for Economic Development, Democracy 21, League of Women Voters, Public Campaign, Public Citizen, and U.S. PIRG. Also see an [editorial from Sunday's \*New York Times\*](#) on the subject.

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## **Summary of the Presidential Funding Act of 2007**

- Increases the amount of matching funds for the presidential primaries from a 1:1 match for up to \$250 of an individual's aggregate contributions, to a 4:1 match for up to \$200 of an individual's contribution received on or before March 31 of an election year. The match increases to 5:1 if a qualifying candidate remains in the race after April 1.
- Eliminates the state-by-state primary spending limits and increases the overall spending limit for candidates who participate in the presidential primary public financing system from the current level of approximately \$50 million to \$100 million. In addition, qualifying candidates who remain in the race after April 1 may spend an additional \$50 million prior to the general election.
- Increases the spending limit for participating general election candidates from its current level of \$75 million to \$100 million. All spending limits are indexed for inflation beginning in 2009.
- Provides that to qualify for public financing in the primary election, a candidate must raise \$25,000 (increased from \$5,000 under current law) in each of 20 states, of which no more than \$200 can come from any one individual. A candidate also must commit to accept public financing in both the primary and general election in order to receive public funds for the primary election.
- Moves the starting date for the payment of matching funds to primary candidates from January 1 of the election year to six months before the first presidential primary or caucus. Also establishes a single date – the Friday before Labor Day -- for payments to the major party nominees.
- Provides that if one or more participating candidates in the primary election are running against a non-participating candidate of the same party who raises or spends more than 120 percent of the primary election spending limit, the spending limit for participating candidates is increased to \$150 million during the pre-April 1 period and \$200 million for the whole primary period. An additional 1:1 match of eligible contributions will also be provided to participating candidates. Should a non-participating candidate spend more than 120 percent of the increased spending limit, the limits are increased by another \$50 million. Therefore, the maximum primary spending limit is \$250 million, if a non-participating candidate spends more than \$180 million before April 1 or \$240 million after April 1.
- Provides that if a participating candidate in the general election is running against a non-participating candidate who has raised or spent more than \$300 million for the combined primary and general election, the amount of the public funds provided to the participating candidate is doubled from \$100 million to \$200 million.
- Increases the limit on coordinated spending by a national party and its presidential candidate from approximately \$15 million to a total of \$50 million, with \$25 million of that amount available to be spent between April 1 and the nominating convention. These limits are indexed for inflation, and the limit between April 1 and the convention is lifted if a non-participating candidate from the opposing party remains in the race.
- Requires presidential campaigns to disclose all individuals or groups, not just lobbyists as under current law, that bundle contributions totaling more than \$50,000 in the four year election cycle.
- Increases the amount of the check-off on the income tax form to fund the public financing system from \$3 to \$10 per individual and from \$6 to \$20 for a married couple, and indexes these amounts for inflation. Directs the IRS to require that approved tax preparation software does not automatically accept or decline a check-off of taxpayer funds for the public financing system.
- Takes effect on January 1, 2009. This bill would apply to the 2012 presidential election.



**For Immediate Release:**  
Wednesday, December 5, 2007

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## **Statement of Democracy 21 President Fred Wertheimer on Bipartisan, Bicameral Legislation Introduced Today to Repair the Presidential Public Financing System**

Democracy 21 strongly applauds the members of Congress who are launching today a bipartisan, bicameral effort to repair the presidential public financing system for presidential elections following the 2008 race.

In the Senate, Senator Russell Feingold (D-WI) is being joined by Senator Susan Collins (R-ME) as the lead sponsors of legislation to fix the presidential public financing system.

Also serving as principal Senate sponsors of the legislation are Senate Majority Whip Richard Durbin (D-IL), the four Democratic Senators who are running for president in 2008, Senators Barack Obama (D-IL), Hillary Clinton (D-NY), Joe Biden (D-DE) and Christopher Dodd (D-CT), and the 2004 Democratic presidential nominee, Senator John Kerry (D-MA).

In the House, Representative David Price (D-NC), replacing former Representative Marty Meehan, and Representative Christopher Shays (R-CT) are joining as the lead sponsors of the legislation to repair the presidential public financing system.

Also serving as principal House sponsors of the legislation are two members of the House Democratic leadership, Representatives Chris Van Hollen (D-MD) and Rahm Emanuel (D-IL), and two Republican reform leaders, Representatives Mike Castle (R-DE) and Todd Platts (R-PA).

The legislation introduced today is supported by a number of reform groups, including Americans for Campaign Reform, the Campaign Legal Center, the Committee for Economic Development, Common Cause, Democracy 21, the League of Women Voters, Public Campaign, Public Citizen and U.S. PIRG.

A major effort will be undertaken during 2008 to build public, coalition and editorial support for this legislation.

This effort to fix the presidential public financing system comes in response to the breakdown of the system, after it served the nation well for most of its existence.

From the system's creation in 1974 until 2000, almost all of the Democratic and Republican candidates used the voluntary presidential public financing system to finance their presidential campaigns. The system allowed presidential candidates to run financially competitive races without being dependent on influence-seeking donors and bundlers, and without having to engage in arms race spending.

The presidential candidates used the system during this period because they viewed the public financing system as beneficial to their campaigns.

With the system now broken, however, we are facing a 2008 presidential election in which record levels of private contributions are being solicited, influence-seeking bundlers are playing a central role in raising large total sums of money for candidates, huge amounts of time are being spent by candidates to raise money, and massive, arms race spending is expected to occur by November 2008.

The two major party nominees alone are expected to raise and spend a combined *\$1 billion* in private contributions to finance their primary and general election races, with bundlers playing a key role in raising these contributions.

The system for financing our presidential elections today is endangering the health of our democracy and undermining the integrity of the presidency.

At the same time, we have the ability to restore a presidential public financing system that worked well before and that can work again to protect our democracy, the presidency and the interests of the American people.

The reform effort being launched today by congressional Democrats and Republicans is designed to accomplish this goal, and to make the presidential public financing system one that presidential candidates again will decide to use as advantageous to their campaigns.

Democracy 21 applauds the outstanding leadership being provided for the country by the Senators and Representatives who are introducing the presidential public financing legislation today. Congress should restore the effectiveness of the "crown jewel" of campaign finance laws, the presidential public financing system, by enacting this reform legislation.

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Contact: Nick Mitchell (603) 456-3962  
December 5, 2007

## **Statement of Americans for Campaign Reform**

Americans for Campaign Reform is pleased to offer our unbridled support for the legislation being introduced today to update and enhance the presidential public funding system.

Enacted in 1974, the presidential public funding system was a success by any measure. Virtually every Republican and Democratic candidate in every election used the system until 2000. However, over time, the terms included in the original legislation have become terribly outdated. Today, the spending limits are far too low for a candidate to compete in the lengthy primary election races. And the funds available to candidates who opt into the system are grossly insufficient to run a competitive race and get their messages out to voters in the era of the requisite television campaign.

It is high time that congress acknowledges that the system is in dire need of a major overhaul and passes this much-needed legislation.

We believe this legislation will go a long way toward eliminating the corrosive influence of money on our election system. We also believe that an effective and workable public funding system will make it possible for leaders to seek the presidency even if they are not independently wealthy or have access to the massive amounts of cash needed to fund a campaign.

Most important, we believe that an effective public funding system will help restore faith and confidence in our democratic system.

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Americans for Campaign Reform is a nonpartisan grassroots movement of citizens working to pressure Congress to enact public funding of all federal elections. Based in Concord, NH, the organization's Co-Chairs are former Senators Bill Bradley (D-NJ), Bob Kerrey (D-NE), Warren Rudman (R-NH), and Alan Simpson (R-WY).





*FOR IMMEDIATE RELEASE: December 5, 2007*  
*Contact: David Vance, 202-736-2200 ext. 17*

## **Introduction of Presidential Public Financing Fix: Statement of Meredith McGehee, Campaign Legal Center Policy Director**

The presidential public financing system has died a death of a thousand cuts from opponents seeking to fully restore the prominence of the pay-to-play system in Washington. Born of public outrage in the wake of the Watergate scandals the system has played a vital role in our nation's political discourse over the last three decades.

Public discontent over the mad money race is growing again and we are hopeful that the bipartisan support behind "The Presidential Funding Act of 2007" will harness that sentiment into enacting these long overdue repairs to the system that has figured prominently in the political fortunes of politicians as disparate as Jimmy Carter, Ronald Reagan and Bill Clinton.

Americans have been discouraged by the scandals that continue to erupt in campaigns too busy chasing money to properly vet even those individuals raising hundreds of thousands of dollars for them. Norman Hsu will not be the last bundler to spontaneously combust on a national stage – others are sure to follow when the pressure to raise so much money so consistently never abates.

The major party nominees are expected to raise and spend \$500 million dollars each before the polls close on Election Day 2008. If you figure that money will have to be raised in roughly two years from the time their candidacies were announced, you will find that every single day – including holidays and weekends – the eventual nominees will have to raise an average of nearly \$700,000 a day.

While it is too late for the coming presidential election, "The Presidential Funding Act of 2007" can repair this important institution in time for the 2012 race. Nearly every attempt to allow the system to keep pace with the times, the costs and the frontloaded primary system has been scuttled over the years by opponents. But, the 2008 race will be like none ever before and if early indications are a bellwether, the public will become increasingly disturbed by the system at work without public financing as a viable option.

The idea of the White House on the public auction block has never sat well with American voters. Their support will be pivotal to push through this critically important piece of legislation.



**Committee for Economic Development**

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**For Immediate Release**

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**STATEMENT OF CHARLES E.M. KOLB, PRESIDENT  
COMMITTEE FOR ECONOMIC DEVELOPMENT (CED)**

"If the public financing system is allowed to die, our democracy will suffer. A truly open election process is based on the belief that anyone who is qualified can run and be considered. Money has always distorted this process. Many in the business community believe that the public financing system - while far from perfect - is an important element in preserving our open election process. CED has worked to lessen the impact of money in politics and we will work to improve the public financing system."

CED is a non-profit, non-partisan organization of more than 200 business leaders and university presidents. Since 1942, its research and policy programs have addressed many pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all. For more information on CED's work on campaign finance reform, go to [www.ced.org](http://www.ced.org).



Contact: Mary Boyle  
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**For Immediate Release**  
Dec. 5, 2007

*Time to end the presidential fundraising race*

Restoring the broken presidential public finance system is a first critical step we must take in reforming from top to bottom the way we fund political campaigns.

In order for this nation to get policies that are truly in the public's interest on critical issues such as health care, global warming and tax policy, we need to reduce the influence of special interest spending on political campaigns at every level of government, from presidential races on down.

“Anyone watching the 2008 presidential race knows that this contest has been largely about who can raise the most money the fastest, not about ideas and solutions and people,” said Bob Edgar, president of Common Cause. “We must restore the presidential public finance system so candidates can use it to run competitive campaigns and aren’t consumed by the money race, and then have take office indebted to big donors, all at a cost to the public.”

Common Cause commends the Senate and House sponsors of this bill, Sen. Russell Feingold (D-WI) and Sen. Susan Collins (R-ME) and Reps. David Price (D-NC), Chris Van Hollen (D-MD) and Rahm Emanuel (D-IL), and Christopher Shays (R-CT), Mike Castle (R-DE) and Todd Platts (R-PA). We urge passage of this important piece of legislation and restoration of the system by 2012, so we don't have the fundraising arms race that today defines our presidential campaigns.



LEAGUE OF WOMEN VOTERS®  
OF THE UNITED STATES

**FOR IMMEDIATE RELEASE**  
**December 5, 2007**  
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**LEAGUE CALLS PRESIDENTIAL PUBLIC FINANCING BILL  
“VITAL ANTEDOTE FOR FAIR ELECTIONS”**

**Washington, D.C.** – The League of Women Voters today praised the introduction of the bipartisan bill by Senators Russ Feingold (D WI) and Susan Collins (R ME) and Representatives Chris Shays (R CT) and David Pryce (D NC). The legislation would revive the federal election process and level the playing field for all candidates.

“The dollar sign has too tight a hold over our democracy,” said national League president Mary G. Wilson. “All signs point to the 2008 election being the first billion-dollar presidential election in our nation’s history. That is a new record that many of us will not be celebrating,” Wilson said. “I can’t imagine that our next president wants the label – “Billion Dollar President” – affixed to their legacy.”

“This is a make-or-break year for the presidential public financing system in this country,” said Wilson. “This legislation is an essential step toward leveling the playing field and revitalizing our elections. “For the past thirty years, every president has been elected based on a publicly-financed general election. The next president should come into office on the strength of public funds, not private donations primarily from wealthy donors and special interest bundlers,” Wilson stated.

“Americans deserve a fair and healthy election system – one in which candidates are more concerned with the issues than their daily fundraising reports,” added Wilson. It is imperative that this Congress address the fundamental weaknesses in our presidential financing system before it is too late.”

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The League of Women Voters, a nonpartisan political organization, encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy. Membership in the League is open to men and women of all ages. With more than 86 years of experience and 850 local and state affiliates, the League is one of America’s most trusted grassroots organizations.

For Immediate Release:  
Dec. 5, 2007

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## **Much-Needed Legislation Would Overhaul The Financing of Presidential Campaigns**

### ***\$1 Billion Projected to Be Spent in 2008 Race to Buy the Presidency; Bills Introduced Today in House and Senate Would Curtail Influence of Wealthy Interests***

WASHINGTON, D.C. – Public Citizen today heartily endorsed new legislation introduced in the Senate and House of Representatives that would overhaul the faltering presidential public financing program. The bills are by Sens. Russell Feingold (D-Wis.), Susan Collins (R-Maine), Richard Durbin (D-Ill.), Hillary Clinton (D-N.Y.), John Kerry (D-Mass.) and Barack Obama (D-Ill.); and Reps. Chris Van Hollen (D-Md.), David Price (D-N.C.), Rahm Emanuel (D-Ill.), Christopher Shays (R-Conn.), Mike Castle (R-Del.) and Todd Platts (R-Pa.).

First implemented in 1976, the presidential public financing system worked admirably for decades in helping to level the playing field among presidential candidates. Under the system, challengers defeated sitting incumbent presidents half the time. But its limits on campaign fundraising and spending have languished because the system has not been updated in more than 30 years. Today, very few presidential candidates agree to participate in the public funding system because they can raise much more money from wealthy special interests and because they believe they could be at a disadvantage compared to other candidates who do not opt to take public financing.

“The 2008 presidential election will likely be the first \$1 billion presidential campaign in history,” said Joan Claybrook, president of Public Citizen. “Most of this money will be coming from the very same wealthy corporations and industry groups that have business pending before the federal government, and they expect favors, access and even jobs in return.”

Enacted after the Watergate election scandals, the presidential public financing system is supposed to reduce the clout of special interest money in presidential campaigns by providing qualified candidates with significant amounts of public funds in the primary election and nearly full public financing in the general election. Public financing dramatically reduced the need for presidential candidates to seek money from wealthy corporate interests who regularly benefit from their contributions and bundle campaign money from others as well.

Prior to the 2000 elections, only three presidential candidates – each independently wealthy – opted out of the public financing system in the primary elections. Since 2000, however, the list of candidates opting out has swelled. In the upcoming 2008 election, few serious presidential contenders are expected to stay in the public financing system. This time, candidates are choosing to forgo public money not because they are independently wealthy but because they can raise and spend more money than if they accepted the public dollars. The consensus of many: The current presidential public financing system must be updated.

“The presidential public financing program of 1976 has not kept up with the times,” said Craig Holman, legislative representative for Public Citizen. “The spending ceilings are unrealistically low and

don't keep pace with what is being spent. Further, spending ceilings are fixed in stone. They are not even increased to match excessive spending by candidates who opt out of the system.”

The Presidential Funding Act of 2007 would:

- Increase the spending ceilings for publicly funded candidates in both the primary (from about \$50 million to \$150 million) and general elections (from about \$80 million to \$100 million) to reflect the true costs of running a presidential campaign. The spending ceilings would be increased further if a non-participating candidate spends in excess of those ceilings.
- Provide a 4-to-1 match of public funds to private donations of \$200 or less, which means that a \$200 contribution would provide \$1,000 to a participating candidate in the primary elections. In the general election, participating candidates would receive all their campaign budget in public funds in exchange for giving up special interest contributions.
- Enhance the funding source for the program by increasing the voluntary tax check-off system from \$3 per individual to \$10. The check-off does not add any tax burden to taxpayers; it simply allows a taxpayer to designate a portion of his or her taxes to help clean up presidential elections.
- Prohibit the national parties from using unregulated special interest money to pay for their national party nominating conventions, better known as party “soirées.”
- Require presidential campaigns to disclose all their fundraising “bundlers” – those who receive credit from a campaign for collecting a large number of contributions from individuals, usually in an effort to curry favor with the presidential candidate – and the amounts they raise.

For further information on the presidential public financing system, its strengths and weaknesses, and how to repair the program, go to: [www.WhiteHouseForSale.org](http://www.WhiteHouseForSale.org).

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Public Citizen is a national, nonprofit consumer advocacy organization based in Washington, D.C.

For more information, please see <http://www.citizen.org>.