FRESH START

THE IMPACT OF PUBLIC CAMPAIGN FINANCING IN CONNECTICUT

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About Dēmos

Dēmos is a public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy.

Our name means “the people.” It is the root word of democracy, and it reminds us that in America, the true source of our greatness is the diversity of our people. Our nation’s highest challenge is to create a democracy that truly empowers people of all backgrounds, so that we all have a say in setting the policies that shape opportunity and provide for our common future. To help America meet that challenge, Dēmos is working to reduce both political and economic inequality, deploying original research, advocacy, litigation, and strategic communications to create the America the people deserve.

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Connecticut has offered a voluntary public financing system for state-wide constitutional and General Assembly offices since 2008. Through financing from the Citizens’ Election Fund, candidates that obtain the required number of small donations can receive a lump sum to fund their campaign. The program is very popular and in 2012, 77 percent of successful candidates were publicly financed.

This report looks at the impact public financing has had on campaigning, the legislative process, policy outcomes, and the dynamics of the legislature. Empirical data is supplemented with interviews with current and former legislators from both Republican and Democratic parties, elected state officials, and advocates to highlight the impact of public financing in the state. While only a few electoral cycles in, it is clear that public financing is a fundamental step towards a more representative legislative process that is more responsive to constituents.

**Key Findings**

**Public Financing Allows Legislators to Spend More Time Interacting with Constituents.** As one legislator recounted, “I announced my reelection bid in February and by April, I was done fundraising. So, from April to November, I could focus only on talking to constituents. Without public financing, I would have been fundraising through that entire period.”

**Public Financing Increases the Number of Donors.** In contrast to fundraising from just a few big donors, publicly financed candidates must receive donations from a minimum number of in-district donors (150 for State House and 300 for State Senate) resulting in a larger donor pool.
Lobbyists’ influence begins to decline with public financing. A former legislator recalls, “Before public financing, during the session…there were “shakedowns” where lobbyists and corporate sponsors had events and you as a legislator had to go. That’s no longer a part of the reality.”

More people are able to run for office because of public financing. In 2008, there were the fewest number of uncontested seats since 1998, indicating that more candidates are running.

Public financing helps a more diverse set of candidates get elected. Public financing is resulting in a legislature that is more representative of the state’s demographics. For example, the Latino representation in the state legislature reached its greatest level in 2012 and women make up 32 percent of the current legislature.

Public financing allows for a more substantive legislative process. As a current Republican legislator states, “Now, people concentrate more on the issues, read the issues. You see more votes that are bipartisan and the big issues get bipartisan votes.”

Policies adopted after public financing was implemented are more aligned with the public’s preferences and the needs of the people of Connecticut. With public financing and the alignment of the governor with the legislature, Connecticut passed mandatory paid sick days, increased the minimum wage, adopted an Earned Income Tax Credit, passed in-state tuition for undocumented students, and reversed a nearly 30-year trend that gave bottle deposits back to distributors and redirected the money to public programs.

Connecticut’s experience shows that public financing is a fundamental part of a stronger democracy that is more responsive to constituents, rather than big donor and special interests.
Since 2008, Connecticut elections have provided candidates the option of public financing for state-wide constitutional and General Assembly offices. Through financing from the Citizens’ Election Fund, candidates that obtain the required number of small donations can receive a lump sum to fund their campaign. The program was established to reduce the influence that lobbyists and large donor interests have on the electoral process.

Connecticut has had three cycles of state elections since the public financing system was implemented. This report looks at how public financing has impacted campaigning, the legislative process, policy outcomes, and the dynamics of the legislature. Empirical data analyzing time spent fundraising and the make-up of the legislature before public financing is compared to the same data collected after public financing was in place to show trends in these categories. This data is supplemented with interviews from current and former Democratic and Republican legislators, elected state officials, and advocates to highlight changes to the legislative process and legislative body as a result of public financing.¹

While only a few electoral cycles in, clear changes are underway. More candidates are running for office and spending less time fundraising, leaving candidates free to engage more with their constituents. The public financing program has strong bipartisan support and high rates of participation. The mood and atmosphere in the legislature has also changed with more attention focused on the substance of the bills, rather than advancing special interests. More women and people of color are running for office and winning. Finally, the last few sessions have seen significant policy advances in areas that positively impact working- and middle-class communities in Connecticut and are more in line with the preferences of the state’s voters.

Along with other reforms, public financing is a fundamental first step to establishing a more representative legislative process that is more responsive to constituents, rather than affluent and corporate interests. While substantial change will take more than three electoral cycles, there is clear movement towards a more representative and responsive legislative body.
n 2004, Connecticut Governor John Rowland resigned in a corruption scandal, admitting that he sold his influence for chartered trips, vacations, and improvements to his vacation home. Rowland was sentenced to a year in prison and four months of house arrest. While the most high profile, his case was just the latest in a rash of state and municipal scandals that earned the state the nickname, “Corrupticut.” In response to the scandals, the legislature approved sweeping campaign finance reforms, including a volunteer program for publicly financed elections, which was signed into law by Republican Governor Jodi Rell the following year.

In addition to establishing a public financing program, the Comprehensive Campaign Reform Act of 2005 banned lobbyists and state contractors from contributing to or soliciting contributions for most political campaign committees, ended the ability to circumvent contribution limits by purchasing advertising space in campaign fundraising programs, limited the amounts many state employees could contribute to candidates seeking to become their superiors in the offices in which they worked, and made a number of adjustments to PAC regulations and other contribution limits.

How It Works

The Connecticut Citizens’ Election program provides public funds to candidates who voluntarily enroll in the program and who raise an aggregate amount of small contributions [between $5 and $100] from individuals, receive these contributions from a certain number of individuals living in the district where the candidate seeks nomination or election, and obtain access to the ballot. It is a voluntary system and candidates are not required to participate. For state Senate, candidates must raise $15,000 from at least 300 residents. For state representative, candidates must raise $5,000 from at least 150 residents. The Citizens’ Election program also limits the amount of personal funds a candidate may use. Any public funds given are reduced by the amount of personal funds used, which are limited to $2,000 for state senator and $1,000 for state representative.
Connecticut provides funds for both the primary race and the general election. For the primary, Senate grants are $37,590 and $10,740 for Representatives. In “party-dominant” districts, the primary amounts are increased to $80,550 for Senate candidates and $26,850 for House candidates. Party-dominant districts are defined as a district in which the number of registered voters in one party outnumbers the other party by 20 percentage points (i.e. 60 percent registered Republican and 40 percent registered Democrat). For the general election, candidates received $91,290 for Senate and $26,850 for House, which may be reduced by any unspent primary funds. These amounts are also reduced for candidates who run unopposed and for minor parties that raise the required threshold of qualifying contributions and petition support totaling at least 10 or 15 percent of votes cast in the last election.

Participation in the Citizens’ Election program is extremely high. The 2012 election saw a record number of candidates participate in the program—77 percent of elected legislators participated in the voluntary program and all current state-wide offices are held by public financing participants, including current Governor Dannel Malloy.7
The impacts of public financing go beyond elections. Public financing allows more candidates to run for office, which allows for more competitive races. Once candidates are not as dependent on wealthy and corporate special interests for campaign funds, the influence these interests have begins to wane. As a result, different policy priorities begin to emerge and legislators have more time to focus on legislation, rather than having to continually fundraise. This section looks at how public financing has impacted legislators and candidates for office, how it changes the dynamics of the legislature, and the policy changes that occurred after public financing was implemented.

**Public Financing Allows Legislators to Focus on Legislating, Not Fundraising**

Public financing impacts legislators and candidates in several ways. While running for office, public financing allows candidates to spend more time talking with constituents, rather than fundraising. In addition, because the contribution limits are relatively low, small donors become more important and more donors are engaged in the electoral process. Finally, lessening the burden of fundraising allows legislators to spend more time legislating and less time catering to lobbyists and other special interests.

One of the main benefits to adopting a public financing system is that it significantly decreases the amount of time most candidates need to spend fundraising and, in turn, increases the amount of time they can spend talking directly to constituents. Legislators that previously relied on big donations from only a few sources may need to spend more time fundraising but will also be exposed to more constituents and concerns in their district. In general, the average state legislative candidate in a state without public financing spends 28 percent of their time fundraising. The average state legislative candidate in
a public financing state spends just 11 percent of their time fundraising, less than half of those not in a public financing system.⁹

**REP. AUDEN GROGINS | (D-Bridgeport)**—“[Public Financing] really impacted the time spent fundraising because the most time consuming part is getting the 150 donations. Once you’ve done that, you don’t have to worry about it. It lets me talk to people more. In raising the 150 donations, I focus on my district and focus on interaction with my constituents and getting their support.”

**REP. JAMES ALBIS | (D-East Haven)**—“I announced my reelection bid in February and by April, I was done fundraising. So, from April to November, I could focus only on talking to constituents. Without public financing, I would have been fundraising through that entire period. It [public financing] saves a lot of time and work that should be directed to speaking directly with constituents.”

**REP. AL ADINOLFI | (R-Cheshire, Southington, and Wallingford)**—“Before public financing, to get donations you had to call people. That would go on. You’d spend half of your time in the election cycle calling up people, raising money instead of going out and knocking on doors. Now, you’re getting it from the people and hearing what they want and not from special interests.”

**CHRIS DONOVAN | (D-Former Speaker of the House)**—“With public financing, legislators get to spend more time with constituents instead of raising funds from those not connected to their districts. In the old system, incumbents actually didn’t spend that much time fundraising because it was easy to raise money. If you weren’t an incumbent, raising money was a lot harder. You’d have a fundraiser and lobbyists and their clients would not come. Campaign finance reform made most legislators spend time talking to constituents to raise the $5 or $10 donation.”
REP. JASON ROJAS | (D-East Hartford and Manchester)—“I think it [public financing] is fantastic. I get all my fundraising done early in the summer and then spend the rest of the time door knocking and talking to constituents, which is where I should be spending my time.”

SEN. MARTIN LOONEY | (D-Senate Majority Leader)—“Ironically, there are some legislators that are spending more time fundraising because as a participating candidate, you need more small donations and a larger number of donors, which takes more time. It takes more time because instead of money from PACs and large organizations, donations now have to come from individual donors to qualify for the matching grant… The main benefit is to public perception because now individual candidates are getting money from individual donors rather than interests and advocacy groups. It improves the appearance of objectivity and not have the appearance of wealthy donors gaining influence because no one can give more than $100.”

Public financing increases the number of donors

The requirement that a certain number of small donors come from within a candidate’s district brings more people into the donor pool, increasing the political engagement of constituents. Research analyzing donor profiles in Connecticut in 2006 and again in 2008 (the first year of public financing) found that most state legislative candidates who ran with public funds received money from a larger number of individual donors in 2008. Further, participating candidates shifted from PACs to individual donors, especially incumbents.

REP. ALBIS—“Most of my donations are between $5-$20. I hold one or two fundraisers and ask for anywhere between $5-$100 and try to get as many residents to come. I’m mostly concerned that I’m getting more donors, rather than greater donations.”
**REP. ROJAS**—“One of the main benefits of public financing is that I know I have a set budget and a set amount that I have to raise and knowing that I’m only collecting money from my family, friends, and supporters. I’m not going to lobbyists for money. A few lobbyists contributed to my campaign but they are people I knew before going into the legislature and are friends first. Plus, they can only give a nominal amount.”

**AS OTHER STATES** consider adopting public financing, adjustments could be made to encourage even more participation. There is evidence that while the number of donors increased under Connecticut’s public financing system, the profile of the donor did not necessarily change. In other words, more people were giving but they were not necessarily from a different socio-economic background. New York State’s proposed public financing system, for example, includes a continual matching funds provision where candidates can continue to receive public funds throughout the campaign and not just in the initial fundraising period. Experience with this type of program shows that donor profiles do change and more participation is seen from lower-income communities and communities of color. By providing for continual matching funds, the donor base is diversified, which increases participation from under-represented neighborhoods and places more political importance on those small donors.

Public financing helps lessen the fundraising burden on legislators. Before public financing, legislators had to attend special interest events in order to fundraise. Now, legislators are freed from this obligation and are able to spend more time analyzing the merits of legislation. New legislators that come in under public financing have even less reason to see lobbyists and special interests as a neces-
sity. In time, this mindset is likely to become more dominant and result in a substantial reduction in the influence lobbyists and special interests carry.

**JUAN FIGUEROA** | *(D-Former Representative)*—“Before public financing, during the session, the people that gave the most money were corporate interests. During the session, there were “shakedowns” where lobbyists and corporate sponsors had events and you as a legislator had to go. That’s no longer a part of the reality. Psychologically and for relationship building purposes, the fact that you don’t have to do that anymore is having a positive effect. It is starting to change the power dynamics.”

**FORMER SPEAKER DONOVAN**—“Newer legislators have a new attitude towards lobbyists. There is a different perception that lobbyists are not such big players. You are much less worried about a lobbyist amassing funds against you.”

**SEN. LOONEY**—“There is no longer the pressure to attend events because there is no longer a need for the financial connection. In the past, some lobbyists were more effective than others and now, the playing field has been leveled and everyone has to compete based on the merits of their proposals. Certainly there are some lobbyists that are more influential, but now, their influence has to be on the arguments they make rather than any financial benefits they can bestow.”

**REP. ROJAS**—“I like being able to get my fundraising done and out of the way and from people I’m not going to owe anything to except for the responsibility of doing a good job. Straight up talking to constituents is what we should be doing, especially for a part-time legislature like ours where most people also have a full time job. Campaigning becomes difficult when you have to balance fundraising and spending time with constituents with a full time job. Any time I can get to spend door knocking instead of fundraising is a good thing. Plus, I like knowing that I’m fundraising from people who expect me to do a good

*Under public financing, legislators are not as dependent upon party leadership, which helps them be more independent minded.*

—Secretary of the State

Denise Merrill
job and support me because I’m doing a good job, and not from people that I’m going to owe something to once I’m in office who don’t even live in my district.”

DENISE MERRILL | (D-Former Representative and current Secretary of the State)—“Under public financing, legislators are not as dependent upon party leadership, which helps them be more independent minded.”

**Public Financing Increases Diversity of Candidates and Legislators**

Making General Assembly and state-wide constitutional offices more accessible to candidates allows more people to run and a more diverse group of people to run. It has also resulted in more competitive races, which allows more choice for voters. An increase in candidate diversity also results in a more diverse legislature that better mirrors the state’s population demographics.

More people are able to run for office because of public financing

Public financing encourages more people to run for office because it allows challengers the opportunity to run against incumbents on more equal financial footing. In 2008, there were the fewest number of uncontested seats since 1998, indicating that more candidates are running.\(^\text{14}\) Connecticut’s program has high rates of participation from both challengers and incumbents. In 2008, the first election with public financing, 73 percent of all legislative candidates participated in the program, which resulted in 78 percent of the legislators coming to office using the program.\(^\text{15}\)

In 2010, the program remained popular with 70 percent of candidates participating and 74 percent of legislators in office were publicly financed. For state-wide office, 100 percent of the candidates elected were publicly financed. In 2012, a record high of 271 General Assembly candidates received public financing, which equals 70 percent of total candidates and 77 percent of successful candidates.\(^\text{16}\)
**Rep. Grogins**—“Public financing opened up the opportunity for me to run against a 25-year incumbent.”

**Former Speaker Donovan**—“Campaign finance reform is an equalizer—anyone can run. Before campaign finance reform, people who wanted to run would come to me and say, ‘Where is the magic list of donors? I want the list.’ There is no magic list but if you were an incumbent, it was much easier to raise lobbyist dollars though very tough for challengers.”

**Rep. Adinolfi**—“Public financing makes elections fairer and helps challengers to raise money. It used to be impossible for a challenger to raise as much money as an incumbent. It also helps the minority party. Now, you see different types of people running.”

**Rep. Albis**—“Public financing certainly makes it easier to run for the legislature.”

**Rep. Grogins**—“Public financing allows for a greater number of people to run for higher elected offices. This is because there is a level playing field in terms of fundraising. I believe this also opens the door to having more minority candidates run for these elected offices as well.”

**Sen. Looney**—“Public financing has helped some people to at least contemplate a candidacy and not be worried so much about the fundraising aspect and fundraising is no longer a bar to running. It [public financing] has been a significant opportunity for people who may run without party support because funding is available for a primary run, too.”

**Rep. Rojas**—“Under the old rules, my opponent probably would have been able to raise more money than me but under public financing, we were on equal footing.”
Public financing helps a more diverse set of candidates get elected

Not only are more people running, the diversity of people who are getting elected is also changing. While African American representation remained steady, the Latino representation in the state legislature reached its greatest level in 2012 with the election of Connecticut’s first two Latino state Senators and 10 recently elected members of the House of Representatives. The numbers represent a 33 percent increase in the number of Latino state legislators from 2010.

In 2008, the first election with public financing, the number of women elected rose from 45 to 51 in the House and overall women represented 32 percent in the legislature—an increase from 28 percent in 2006. In 2012, nine women were in the state Senate, one more than in 2006 and women comprised 29 percent of the legislature, a slight increase from 2006.

SECRETARY OF THE STATE MERRILL—“Public financing definitely made the legislature more diverse. There are more people of color, more young people, more women, and more young women.”

REP. ALBIS—“When you look at the demographics, it’s certainly changed. There are more younger legislators on average…and there are more racially diverse candidates.”

REP. ROJAS—“I know that some of my colleagues that have operated under the old system would prefer the old way because now, opponents are able to raise as much money as an incumbent. The fact that an incumbent and an opponent get the same money is unsettling to them.”

“Public financing definitely made the legislature more diverse. There are more people of color, more young people, more women, and more young women.”

—Secretary of the State
Denise Merrill
Public Financing Improves the Legislative Process

The main benefit to public financing is that it begins to remove the outsized influence of money in the electoral process. The benefits to removing that influence continue through the legislative process. Through a change in who gets elected and the reduced importance of big donor interests, the actual process of legislating becomes more responsive and substantive. As a result, the policies that have passed in the last two legislative sessions are more in line with the public’s priorities, providing economic relief to working families and easing access to voting.

Public financing’s impact on the legislative process

Reducing the dependence on affluent and corporate interests for campaign funds has resulted in a more substantive legislative process where the merits of bills are being debated and arbitrary obstruction measures done as favors to special interests are declining.

REP. ADINOLFI—“Now, people concentrate more on the issues, read the issues. You see more votes that are bipartisan and the big issues get bipartisan votes.”

FORMER SPEAKER DONOVAN—“What is different now is that there is less pressure because you don’t have to worry about offending potential special interest donors. You can just raise the money locally and then vote how you want to.”

FORMER REP. FIGUEROA—“Now, you get to the merit of the issues behind legislation faster as the opposition’s delay tactics are minimized and in time, will be far less than what we’ve had in the past. It’s amazing how easy it was to get legislators to interpose silly objections to sound legislation when money was thrown around by corporate lobbyists during the session.”
Policies adopted after public financing are more aligned with the public’s preferences and the needs of the people of Connecticut.

Since the passage of public financing and with the alignment of the Governor and legislature, Connecticut has passed bold legislation that helps increase economic security for working families, provides for undocumented students, and expands access to voting. Recent political science research shows that in elections dominated by large donors, the interests of working- and middle-class voters are poorly served, particularly on economic issues. Adopting a small-donor based campaign finance system allows the interests and priorities of working- and middle-class constituents to be considered. The following is a short list of policies that have passed since public financing:

**Paid Sick Days**
Providing paid sick days benefits lower-paid workers and is strongly opposed by most business interests. In 2011, Connecticut became the first state to require companies to provide paid sick days to their employees. Under the law, companies with more than 50 employees must provide one hour of paid sick leave for every 40 hours worked. The bill narrowly passed the Senate with an 18-17 final vote. It was first introduced in 2007 and was tremendously popular with the public—73 percent of registered voters in Connecticut support paid sick days.

**Minimum Wage Increase**
A two-stage increase in the state’s minimum wage passed in 2008. The legislature was successful in over-riding Governor Rell’s veto and in 2010, the minimum wage increased to $8.25 per hour. There is currently a proposal to increase the minimum wage further.

“Recent political science research shows that in elections dominated by large donors, the interests of working- and middle-class voters are poorly served, particularly on economic issues.”
minimum wage to $9.75 by 2016 and tie it to the Consumer Price Index so it automatically adjusts with the rate of inflation.\textsuperscript{26} Last year, polling found that 70 percent of the state’s voters supported raising the minimum wage.\textsuperscript{27}

**CONNECTICUT EARNED INCOME TAX CREDIT**

After a decade long battle, Connecticut passed a state Earned Income Tax Credit (EITC) in 2011.\textsuperscript{28} The state’s EITC is 30 percent of the federal EITC.\textsuperscript{29} In the first year it was implemented, the credit impacted 180,000 households.\textsuperscript{30}

**DREAM ACT**

A bill to give in-state tuition to undocumented students passed in 2011.\textsuperscript{31} The bill had passed in 2007 but was vetoed by Governor Rell.\textsuperscript{32} It was signed by Governor Malloy, himself a publicly financed candidate.

**BOTTLE BILL DEPOSITS**

For almost 30 years, unclaimed bottle deposits were returned to beer and soda distributors.\textsuperscript{33} Advocates were unable to overcome business influence and persuade legislators to stop returning the unclaimed deposits to the distributors. In the first legislative session after public financing was implemented, lawmakers voted to return the unclaimed bottle deposits to the state, providing up to $24 million per year that can be used to support state conservation programs or other public programs.\textsuperscript{34}
Public financing is a fundamental part of a stronger democracy that is more responsive to constituents, rather than large donors and special interests. Combined with other tools to limit the influence of money in politics (lobbying restrictions, limiting outside expenditures, stronger disclosure rules), public financing is an important step towards implementing a more fair legislative system.

In the short time since public financing has been in place, Connecticut has seen an increase in diversity in the legislature, a more substantive legislative process, and more freedom from big donor and special interests. While wide-scale change takes time, the trend set by the state is clearly toward a more representative electoral process that results in a legislature more responsive to constituents and their needs. The experience in Connecticut shows that public financing is a fundamental first step to removing the influence of money in politics and policy-making and creates a more desirable system for both legislators and constituents.

“In the short time since public financing has been in place, Connecticut has seen an increase in diversity in the legislature, a more substantive legislative process, and more freedom from big donor and special interests.”


5. See id.


9. See id.


11. See id.

12. See id.


19. See id.


24. See HB 5105-Minimum Wage Increase-Key Vote, at: http://votesmart.org/bill/6839/20092/minimum-wage-increase#.UT49LGc5DEg


27. See Q Poll: voters back minimum-wage increase, at: http://ctmirror.org/story/16118/q-poll-70-percent-voters-back-minimum-wage-increase


30. See Connecticut’s Earned Income Tax Credit Has Benefited over 180,000 Working Families Throughout State, at: http://blog.ctnews.com/kantrowitz/2013/01/10/connecticut%E2%80%99s-earned-income-tax-credit-has-benefited-over-180000-working-families-throughout-state/


32. See Senate gives Final Passage to CT DREAM Act , at: http://www.ctnewsjunkie.com/ctnj.php/archives.entry/senate_gives_final_passage_to_ct_dream_act


34. See The Clean-Election State, at: http://prospect.org/article/clean-election-state