

CITIZEN MATCH: A PUBLIC-PRIVATE HYBRID FOR
FEDERAL CAMPAIGN FINANCE REFORM

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The role of money in American election campaigns is hardly a novel concern. Since the days of Theodore Roosevelt, reformers have long sought to counter what they perceived as the corrupting influence of private wealth in public elections. While the playing field has changed since the turn of the twentieth century, the debate remains much the same and reform has proved incremental at best. Indeed, the story of federal campaign finance reform throughout the last century has been a veritable tug-of-war between those supporting and those resisting the regulatory impulse. Liberals today proclaim the need to regulate and reduce the flow of money in American elections. By contrast, conservatives staunchly object to regulation of any kind in the name of free and unfettered debate. Even as reformers responded to new and evolving concerns, the approach remained fundamentally the same: extend the hand of government to stop the flow of money in its current objectionable form. Essential as each reform has been in the eyes of many, few on the right or left would deny that today's system of financing for political campaigns leaves much to be desired. A more imaginative and unifying approach to the role of money in American elections is sorely needed.

This paper examines an area of campaign finance reform that has received limited attention in the academic and public policy debate: public financing of elections. Four core benchmarks for campaign finance reform are developed and applied to the reform models at hand: electoral competition, public accountability, political equality/representation, and political salability. I

will propose a “Citizen Match” public-private hybrid system of financing for political campaigns, combining essential elements of three existing public funding regimes in a more flexible and politically salable alternative to the current regulatory regime.

I. DIAGNOSING THE PROBLEM

Even as the prescriptions for reform vary greatly on the right and left, politicians and scholars on both sides of the policy debate converge, to varying degrees, around two central and highly inclusive concerns: the lack of meaningful competition in congressional campaigns and the influence of private contributions on government. The latter is explored at length in existing literature; the coercive effect of money on governance is thus here assumed as given. The problem of inadequate competition is explored below in order to generate a basis for reform criteria.

A. Electoral Competition

Competitive elections are considered the bedrock of a functioning democratic system. Under the current American system of privately financed campaigns, incumbent officeholders in the U.S. House and Senate enjoy an overwhelming advantage over challengers in their reelection campaigns. The decline in electoral competition since World War II and the overwhelming incumbency advantage today are well documented by elections analysts and political scientists alike (Jacobson 30). I will show that there is an inverse correlation between competitiveness and incumbency advantage over time.

i. Rate of Incumbent Reelection

Incumbent reelection rates have risen to historic highs over the past 50 years with the growth in mass media communications (Jacobson 41). The 2004 House elections, found to be the least competitive in American history by the Center for Voting and

Democracy, saw a total five incumbent Representatives—one percent of those seeking reelection—lose their seats, compared with 82 percent in 1946 (Center for Voting and Democracy). Although not unheard of in recent congressional campaigns, the 2004 returns marked the fourth consecutive election in which at least 98 percent of House incumbents won reelection. Meanwhile, just one incumbent Senator failed to regain his seat in 2004, despite higher levels of incumbent turnover in the Senate over time (Basham and Polhill 4).

The overwhelming electoral advantage experienced by House and Senate incumbents in recent campaigns indicates a meaningful decline in competitiveness over time, even as robust incumbency advantage has been a hallmark of the post-war period. Examining the entire period from 1946 to the present, Jacobson finds that fewer than 2 percent of officeholders are typically defeated in primary elections and fewer than 7 percent in general elections, with incumbency advantage generally increasing over time (Jacobson 57).

Empirical analysis confirms the observed inverse correlation between incumbency advantage and electoral competition in contemporary congressional campaigns. Gelman and King estimate the precise value of incumbency at 11 percent in expected increased vote share for the average officeholder (Gelman and King 123). Ansolabehere et al. confirm the 11 percent finding and estimate that it represents a nine percent increase over the benefit associated with incumbency 50 years ago (Ansolabehere et al. 17).

ii. Margins of Victory & Uncontested Races

Margins of victory in congressional campaigns present an even more compelling image of the absence of electoral competition today. A 2005 analysis by the Center for Voting and Democracy reveals that only ten of the 435 races for the House of Representatives in 2004 were won by margins of 5 percent or less and that just twenty-three races had margins of 10 percent or less.

Meanwhile, the average margin of victory for U.S. House campaigns was 40 percent, and more than eight in ten races (83 percent) were won by landslide margins of 20 percent or more. Given the overwhelming absence of competitive elections, it comes as little surprise that only thirteen of the nation's 435 House districts witnessed a change in party affiliation in 2004, with seven of the changes occurring within Texas as a result of partisan redistricting in 2003. Nationwide, more than one in five House races did not draw a challenger (Center for Voting and Democracy).

Vote margins in the House have also steadily increased over time, with the average percentage of the returns earned by House incumbents in contested elections showing a consistent rise from 59 percent in 1948 to over 65 percent today (Jacobson 53). David Mayhew confirms the rising incumbency advantage over time with respect to percentage of House races won by landslide margins (60 percent or greater) from mid-century to the present. Until 1966, an average 61 percent of House incumbents earned in excess of 60 percent of the vote; between 1966 and 1982, the proportion jumped to 73 percent; and from 1984 to 1988, it increased still higher to 83 percent (Mayhew 81). Meanwhile, the number of "safe" congressional districts increased steadily during the 1990s to nearly 400 seats today (Basham and Polhill 7). According to Basham and Polhill, "Almost 90 percent of Americans live in congressional districts where the outcome is so certain that their votes are irrelevant" (Basham and Polhill 3).

In the U.S. Senate, the 2004 elections saw six of thirty-three races won by competitive margins of 10 percent or less, while twenty incumbent Senators achieved landslide victories of 20 percent or more. Although the number of uncontested Senate elections is small relative to the number in the House, the high frequency of non-competitive challengers nevertheless made most races into a no-contest from the perspective of the incumbent.

iii. Gender Equality

As a founding principle of the American constitutional ex-

periment, explicitly embedded in Thomas Jefferson's Declaration of Independence and in the "equal protection" clause of the Fourteenth Amendment, political equality has long been seen as a basis for liberal democratic reform, most notably the voting rights reforms beginning in the mid-nineteenth century. Yet it's clear that more needs to be done: women today represent just one in seven officeholders in the U.S. House and Senate, with minorities still further behind, in spite of the fact that women voters have outnumbered men in every election since 1964 (Americans for Campaign Reform). At the most technical level, this issue can be mostly chalked up to the incumbency advantage outlined above. According to Barbara Palmer and Dennis Simon, women have a more difficult time winning elections not because they are women, but because they are not incumbents. Based on their analysis of 15,000 primary and general election U.S. House candidates over twenty years, Palmer and Simon conclude that, "measures to decrease the power of incumbency...could increase the proportion of women running for office" (Palmer and Simon 149).

B. Political Salability of Reforms

Proposals to initiate federal campaign finance reform must address concerns about their political viability and overall practicability. I propose three unifying benchmarks against which reform proposals should be weighed: constitutionality, incentives for incumbent support, and viability of funding mechanism. With respect to constitutionality, any viable reform must meet the existing Supreme Court standard of First Amendment free speech, including preserving the right of individuals to contribute in a limited fashion to political campaigns and the right of candidates and private groups to speak freely and without limit in political campaigns. Although various limitations on so-called "independent expenditures" were imposed and upheld as part of the Bipartisan Campaign Reform Act of 2002, broad notions of constitutionally protected political speech remain operative in Supreme Court jurisprudence. Furthermore, the high premium

placed by many citizens on the right to financial participation in political campaigns represents another important element of free expression that must be preserved.

Incentives for incumbent support and a viable funding mechanism, where required, constitute equally important criteria for campaign finance reform from the standpoint of political feasibility. Although increasing electoral competition through a reduction in the incumbency advantage is clearly established as a benchmark for reform above, it must be observed that any reform that significantly jeopardizes the electoral potential of those on whose support it depends—namely, incumbents—will not likely be implemented. That is, politicians will not legislate themselves out of office. In the absence of a nationwide referendum or other means of congressional circumvention, federal election financing reforms must incorporate provisions that render change at least mildly palatable to incumbent politicians. Similarly, any reform dependent on an allotment of public funds must identify a clear and politically viable funding mechanism, which does not meaningfully jeopardize existing governmental priorities.

C. Four Benchmarks for Reform

The four benchmarks for campaign finance reform drawn from the foregoing analysis are as follows. They are applied to existing reform models in the subsequent sections of the paper.

- (1) Increase electoral competition by meaningfully reducing the financial barriers of entry for an enhancing the communication potential of non-incumbent politicians in federal election campaigns.
- (2) Prevent against undue private influence in politics though effectively eliminating the investor contributor class from financial participation in elections.
- (3) Ensure a reasonable standard of political equality

through enhanced citizen participation in elections; eliminate barriers for under-represented groups to take part in politics to facilitate increased descriptive and substantive representation.

(4) Incentivize incumbent politician support by ensuring First Amendment free speech protections, a viable funding mechanism, and a salable implementation scheme.

Public financing of elections represents a radical departure from existing models of federal campaign finance reform. Most reforms at the federal level have focused solely on regulating and restricting the flow of private money in congressional and presidential campaigns. Nevertheless, several proposals for public financing of congressional elections have been developed in recent years. These proposals—public matching funds for private contributions, full public grants, and public contribution vouchers—have been implemented across local, state, and federal election systems to varying degrees. Although the level of practical experience varies greatly across systems, each has been reasonably developed by political scientists and/or reformers and presented as a viable alternative to the current private financing regime.

II. PUBLIC FINANCING: THREE MODELS FOR REFORM

This section evaluates the most prominent existing reform proposals, laying the framework for the introduction of the Citizen Match public-private model.

A. Partial Public Matching Funds

Public matching funds are the most common form of candidate public financing in the United States. Of the twenty-seven states and fifteen municipalities that have adopted party and/or candidate public financing since the mid-1970s, a majority of those providing funding to individual campaigns have done so

through the use of partial matching funds (Wyatt 200). In addition, public financing of presidential primary campaigns at the federal level is offered to qualified major-party candidates on a partial-match basis. Although a standardized system of public matching funds does not exist, most matching programs share four basic characteristics:

(1) Sources and level of funding: Public funds are provided unequally across candidates on the basis of individual contributions raised. Typically, matching funds are provided at a rate of 1:1 or 2:1 for every dollar raised up to a certain percentage of the contribution limit, with New York City's public match ratio constituting an upper limit at 4:1 (Wyatt 49).

(2) Qualifying: Candidates wishing to participate in a matching funds system are required to first demonstrate a meaningful threshold of public support by collecting a minimum number of individual contributions and/or meeting a total fundraising threshold.

(3) Contribution/spending limits: Qualified candidates opting to participate in a public match system are frequently required to abide by contribution and spending limits below the normal contribution limits for non-participating candidates. Additional regulations are frequently imposed, such as limiting the source of contributions by geographic area or contributor class, restricting the use of personal funds, imposing stringent disclosure requirements, and mandating participation in public debates.

(4) Voluntary participation: Participation in a public match regime is strictly voluntary, in accordance with the Constitutional free speech requirements defined in *Buckley v. Valeo*.

In a partial public financing regime, the proportion of total campaign spending provided in matching funds varies greatly across systems, depending on the size of the match and the percentage of individual private contributions at which matching funds are capped. The system is nevertheless clearly differentiated from grant-based full public financing in two respects: private contributions are maintained as a source of campaign funds for participating candidates, and public funds constitute a relatively small portion of total campaign spending.

Advocates of public match systems cite four key motivating concerns: reducing the influence of private special interest groups in politics and increasing governmental responsiveness to the voters; enabling credible candidates who lack access to big money to mount competitive campaigns; and increasing citizen participation and faith in government (New York City Campaign Finance Board). Special emphasis is placed on the role of participant contributors who donate in small amounts to political campaigns out of a purely participatory interest. Although advocates of partial match seek a more level electoral playing field than the current private financing regime, they are tolerant of financial disparities between opposing candidates based on fundraising ability and general public appeal.

Evaluation

The partial match system of federal campaign finance reform represents a fair alternative to the current private financing regime, performing moderately well on three of the four benchmarks for reform while failing to adequately meet the fourth. With respect to curbing the influence of private special interest groups via the campaign finance system, the partial match effectively removes the most blatant forms of investor contributing by cutting the contribution limit from \$2,000 to \$200 for participating candidates. Although no further restrictions are imposed on the class of individuals authorized to donate to public match campaigns—thereby leaving the door open for special interest

contributors to bundle a large number of \$200 checks—the likelihood that contributions of that size will buy undue influence compared with the current \$2,000 sums is small. Furthermore, the large number of contributions that will need to be raised at the \$200 level ensures that any moderate bundling attempt by a particular special interest group is sufficiently diluted by the inflow of additional campaign funds.

While partial matching funds are seen to adequately meet the special interest concerns, the system fails to provide for a meaningful increase in electoral competition. The average successful incumbent for U.S. House and Senate spent \$1 million and \$5.3 million, respectively, during the 2000, 2002, and 2004 election cycles,¹ compared with \$0.2 million and \$0.9 million for challengers (Federal Election Commission [FEC]). Adopting these figures as crude estimates of the cost of electoral success, a congressional candidate seeking to reach the \$1 million threshold in private and matching funds would be required to raise a full 1,000 contributions at the maximum \$200 amount. That sum is arguably unrealistic for a typical challenger, especially considering the relatively small number of total contributions raised by challengers today: the average challenger in 2002 collected just 25% of total funds, or approximately \$50,000, in contributions of less than \$200, for an estimated 300 total contributions near the \$200 public match target. Even when a challenger's current body of larger donors is engaged at the \$200 threshold, bridging the 700-contribution gap in order to reach \$1 million in total campaign funds is difficult or unrealistic for most candidates.

Alternate matching proposals would increase the contribution limit from \$200 to \$500 in order to facilitate the collection of adequate total funds. Such an increase would nevertheless encourage an inappropriate degree of investor contributor access, as special interest groups curry favor through the bundling of

¹ FEC data breaks down values by election result. Given the better than 98 percent rate of incumbent reelection over the time period in question, winning candidates are used as proxy for incumbents.

\$500 checks whose total value, including the public match, is now \$2,500. As such, it is clear that full reliance upon partial matching funds cannot simultaneously achieve the core criteria of increased access/electoral competition and a reduction in undue influence by special interest groups.

Finally, matching funds are seen to moderately serve the remaining two benchmarks for reform through a relative increase in political equality and representation commensurate with moderately rising electoral competition, and through a reasonably salable design. As more potential candidates—in particular those higher quality candidates with a grassroots base of small-donor support—perceive the marginal benefits associated with public matching funds, they will be encouraged to enter the political race. Women and minorities will face moderately improved prospects of electoral success as the financial barriers of entry are lowered. With respect to political salability, the continued ability of incumbent congressional representatives to outperform the average challenger under a partial match regime (or to simply opt out in the event that sufficient benefits do not accrue) is seen to provide a reasonable impetus for legislative report. While partial matching funds represent a clear improvement over the current private financing regime, they nonetheless fail to adequately balance competing concerns over increased electoral competition and special interest control.

B. Full Public Financing Grants

Full public funding of elections represents the primary public financing alternative to candidate matching funds currently in practice in the United States. At the state level, Maine, Arizona, Massachusetts, Vermont, New Mexico, and North Carolina have all instituted so-called “Clean Elections” systems of full public financing for state offices since 1996 (Public Campaign 68). The Maine and Arizona regimes currently provide funding for all state legislative and constitutional officer elections, while those in New Mexico and North Carolina cover elections to the Public

Regulations Commission and state judiciary, respectively. Massachusetts and Vermont have suffered legislative gridlock over Clean Elections implementation and have yet to experience a successful election under the law. In addition, the state of New Jersey adopted a Clean Elections pilot program for two legislative districts in 2004. At the federal level, full public grants for nominated major-party candidates comprise the general election component of the presidential public financing system. A minority of the fifteen municipalities that have experimented with public financing in recent decades have also adopted the Clean Elections model of grant-based full public financing. Although minor variations exist across states, all Clean Elections systems share the following major characteristics:

(1) Sources and level of funding: Full public funding is provided to participating candidates for the primary and general election campaigns at the exclusion of all private and personal funds. Public funds are provided in the form of one-time block grants upon qualifying at the start of the primary and general election periods, with all participating candidates receiving equal allotments regardless of incumbency and other factors. Only a small sum of capped “seed-money” contributions (e.g. about \$100 each) are permitted from private sources during the pre-primary qualifying period. Under the standard Clean Elections system, limited additional public matching funds are available to participating candidates in the event they are outspent by a privately financed opponent.

(2) Qualifying: Candidates who wish to participate in the Clean Elections system must raise a high threshold of small qualifying contributions (on the order of five dollars each) from registered voters in their district or state prior to the start of the primary election period. All qualifying contributions are typically deposited into the state

Clean Elections fund; the number of contributions raised in excess of the qualifying amount has no bearing on candidate qualifying or the size of public campaign grants.

(3) Contribution/spending limits: Participating candidates are required to abide by stringent contribution and spending limitations, including foregoing all private contributions outside of seed money and \$5 qualifying checks. Since primary and general election funding is provided in full, all candidates for the same office necessarily abide by the same spending limits, except in the event they are outspent by a privately financed opponent, as noted in point (1) above. As in certain public match regimes, additional campaign regulations are frequently imposed, e.g. limiting seed money and qualifying contributions by geographic area and contributor class, prohibiting the use of personal funds, imposing stringent disclosure requirements, and mandating participation in public debates.

(4) Voluntary participation: Participation in a Clean Elections system is strictly voluntary, in accordance with First Amendment free speech.

Proponents of full public financing share the concerns of partial match advocates with respect to limiting the influence of private special interests in political campaigns, increasing governmental responsiveness to the concerns of ordinary constituents, enabling legitimate candidates with access to private funds to credibly compete, and boosting public faith in government. Differences emerge, however, with respect to the priority given to small-donor participation in the campaign finance process and the importance of maintaining a level electoral playing field. Clean Elections advocates prefer full financial parity among qualifying candidates, regardless of experience or ability to attract private funds. As such, they are willing to sacrifice individual participa-

tion in the campaign finance system (with the exception of seed money and qualifying checks) on the part of small and large donors alike.

Clean Elections advocates are further concerned with the rise in campaign spending per se, a phenomenon which they credit as feeding public cynicism toward politics. They seek to reduce total spending by providing relatively low levels of public funding to participating candidates. Finally, proponents of Clean Elections view nearly all forms of private funding—whether on the part of investor or participant contributors—as suspect, and consider the added cost of full versus partial public funding a justified expense in the interest of political equality and clean government.

Evaluation

Clean Elections public financing grants provide a theoretically appealing alternative to the current private financing regime. The system has shown practical success at meeting three of the four reform criteria in the states where it has been applied, in particular increased electoral competition and greater political equality and representation. Major concerns arise, however, with respect to political salability at the federal level.

Full public financing at competitive thresholds provides the highest potential for increased electoral competition of the three public financing alternatives under consideration. The system recognizes the importance of adequate challenger funding and guarantees “sufficient” funds to any candidate (challenger or incumbent) who can meet the qualifying threshold. In so doing, it effectively neutralizes the incumbent’s ability to dissuade potential challengers from mounting a campaign and meaningfully raises the incentive for credible, high quality challengers to compete. This neutralizing effect has significant repercussions for the level of political equality and potential for increased descriptive representation within government. As barriers of entry into politics are effectively removed, candidates will inevitably be drawn from a wider subset of the voting population, thereby providing

greater incentive for previously under-mobilized constituencies to take part.

The Clean Elections model is similarly appealing with regard to special interest control. By effectively removing all sources of private campaign funding for qualified candidates who opt in to the public grant system, Clean Elections denies access for investor contributors to a large subset of the candidate population. Indeed, the high level of state candidate participation in public financing schemes witnessed in several states within a short period of time after implementation suggests that even those candidates capable of raising sufficient private funds will willingly forego special interest money in the interest of greater independence. One latent concern, however, is the potential for large membership-based special interest groups to gain disproportionate access to candidates by meaningfully boosting a candidate's prospects during the qualifying period. With candidates required to raise a large number of \$5 qualifying checks, as well as limited \$100 contributions to finance the qualifying campaign, groups such as labor unions with ready access to an engaged membership base can be effectively outsourced to complete the task. Nevertheless, there is a noteworthy distinction between such forms of special interest influence under a Clean Elections system and those under the current private financing regime. Assuming a reasonably attainable public qualifying threshold, participating candidates are not reliant upon private interest groups to carry out their qualifying campaign, as are candidates who rely upon full private financing in order to mount a credible campaign under the current system.

While Clean Elections does meaningfully address three of the aforementioned benchmarks for federal campaign finance reform, it fails to meet sufficiently the political salability requirements for legislative implementation at the federal level. With the exception of Connecticut, no state has approved full public financing through a legislative assembly, as would be required by Congress; to expect that Connecticut's unique political conditions be repeated in Washington is hardly a strategy for reform. Indeed, several components of the Clean Elections model beyond

the expected tendency for incumbent self-protection make full public financing a relatively unworkable approach. First, the system's one-size-fits-all design, whereby candidate financial parity is artificially imposed without regard for differences in candidate quality, is unattractive to many in the center and on the right who value the "free market" impulse in political campaigns. Even when the public believes that a large majority of participating candidates deserve public funds, the qualification and participation of one high-profile candidate who lacks even a moderate base of public support can substantially undermine the system. Indeed, the Clean Elections systems in both Massachusetts and Vermont have failed to meaningfully progress until this point partly as a result of public perceptions that candidates receiving public funds were undeserving of public support.

Second, although the cost of full public financing is small in relative terms, it represents an ideal target for opposing politicians when financial margins are tight. Conservative rhetoric describing Clean Elections systems as taxpayer-funded welfare for politicians has been used with evident effect by coalitions opposed to reform; for an audience unfamiliar with the electoral competition and special interest control benefits associated with public financing, this limited negative perspective can effectively undermine support. A fully funded campaign by a candidate with narrow public appeal can further exacerbate public concerns over the appropriate use of taxpayer funds. Finally, by denying well-intentioned participant contributors the opportunity to take a direct part in the financing of Clean Elections campaigns, the system seeks to alter a longstanding American norm to which many citizens continue to subscribe. Indeed, millions of citizens, most of them unmotivated by particularistic economic gain, have regularly taken part in political campaigns by means of small contributions. Removing that possibility in the case of most or all campaigns does little, in and of itself, to advance the reform benchmarks above.

C. Public Contribution Vouchers

Unlike the partial match and full grant systems of public campaign finance, public contribution vouchers exist as a purely hypothetical reform alternative. Bruce Ackerman and Ian Ayres' individual "Patriot Dollars" account concept, one of the better-developed public contribution voucher system models, is a viable theoretical alternative to the existing public finance models described above (Ackerman and Ayres 243).

Under the proposed Patriot Dollars system, registered voters receive a personalized contribution "credit card" containing \$50 in public funds dispersible to any registered candidate for federal office in a given campaign. Candidates wishing to qualify for public voucher funds are simply required to meet the ballot-access threshold in their state or district and establish a Patriot Dollars account with the system's administrative authority; in contrast to the public match and public grant regimes. Patriot Dollar allotments are itemized by seat in order to ensure that all federal election races (House, Senate, and/or President) are adequately funded, and the voucher is publicly subsidized at no direct cost to the individual donor (Ackerman and Ayres 106).

In addition to the Patriot Dollars public voucher accounts, Ackerman and Ayres introduce an "anonymous contribution booth" to facilitate private contributions alongside public funds. Under the system, individuals are permitted to contribute nearly unlimited sums to political campaigns by way of the FEC. Anonymity is ensured through irregular dispersal of deposited funds into a candidate's account by the administrative authority, and by providing anonymous donors with the option of rescinding their contribution within five days of deposit (Ackerman and Ayres 153).

Unlike the traditional public financing systems outlined above, the Patriot Dollar voucher program places increased emphasis on the individual donor by treating campaign contributions as an indispensable currency of political participation, equal in value to votes. Proponents of the system argue that money

in politics is not inherently problematic, and that increasing the overall quantity of campaign funds, as well as the diversity of sources and distribution, will positively impact electoral competition and accountability. Even while guaranteeing that each citizen is able to participate on an equal footing in the campaign finance process (excepting anonymous contributors), Patriot Dollars rejects notions of an artificially level playing field or a one-size-fits-all approach to candidate funding. Indeed, candidates succeed under the voucher system based on their ability to attract Patriot Dollar contributions from a large number of citizens as well as anonymous contributions from wealthy supporters; those who lack such broad-based appeal in the early stages of a campaign will garner fewer resources with which to communicate their message as the campaign season unfolds.

Like the public voucher component of Ackerman and Ayres' proposal, the anonymous contribution booth places heightened emphasis on financial contributions as a means of legitimate participation in political campaigns. Anonymity discourages the use of campaign contributions for political access or influence, since candidates are not inclined to trust those claiming responsibility for the anonymous funds.

Evaluation

The public voucher program and anonymous contribution booth are a new and refreshing alternative to existing notions of public financing reform. Unlike the partial match and full public grant reforms, vouchers seek to achieve the benefits of publicly financed elections by means of a fully decentralized approach. While the system does improve upon the current private financing regime with respect to electoral competition and special interest influence, several important issues remain.

Although the voucher and anonymous donor system does not guarantee any candidate a specific level of funding, one can assume that more candidates will be able to mobilize campaign funds by appealing to individual Patriot Dollars contributions.

Ackerman and Ayres anticipate that such widespread diffusion of contributing power will guarantee sufficient funding of federal campaigns. Nevertheless, concerns about electoral competition are not fully addressed. Limited access to anonymous private funds would require that candidates mobilize a very large number of individual voucher deposits before they can even imagine mounting a credible, competitive campaign. After itemization of the Patriot Dollars voucher by the various races at play, only a small portion of the initial \$50 balance will be available for deposit into a given Congressional candidate's account. Thus, it would be virtually impossible for lesser-known candidates to reach the proposed competitive threshold of \$1 million. As such, it is unclear how a candidate without access to considerable anonymous funds will garner sufficient early support to become more widely known; only when such a condition is reached, can Patriot Dollar candidates achieve the desired "snowball" effect outlined by the authors.

Although the anonymous contribution booth has the potential to alleviate these electoral competitiveness concerns, it raises additional questions of its own regarding the potential for undue influence by special interest groups. Specifically, the omission of a reasonable contribution limit for anonymous checks—allowing the number of individual contributions to reach the tens or hundreds of thousands for a single congressional seat—makes guaranteed anonymity an all-but-impossible task. In a race where the average challenger raises just \$120,000, a single contribution by a vested special interest can virtually bankroll the entire campaign. Hiding such a contribution by means of irregular disbursement into a candidate's account is hardly assured, and the authors' provision that private anonymous funds not exceed a minority percentage of total campaign spending will face considerable hurdles of implementation. Similarly, the allowance of nearly unlimited private contributions, whether anonymous or not, contradicts longstanding normative concerns of political equality and representation, even as individual empowerment through the accompanying provision of voucher funds can serve to improve the

voter's standing in the public elections domain. The net effect on political equality and representation is murky at best.

Finally, such an unprecedented electoral system overhaul threatens the political salability of the Patriot Dollars reform. Although none of the system's provisions directly undermine incumbent politician control, it is doubtful that politicians well situated in the current election financing regime would entertain a reform with such wide-ranging and uncertain implications

III. CITIZEN MATCH: A HYBRID MODEL OF CONGRESSIONAL CAMPAIGN FINANCE

A. Overview of Citizen Match

The Citizen Match public financing hybrid combines key elements of the three previously described public funding models with innovations in the areas of small donor participation, larger donor participation, funding, and implementation. The goal of the system is to provide a more flexible and politically salable approach to campaign financing; an approach which meets the comprehensive reform criteria of electoral competitiveness, reduced special interest influence, effective political equality, and representation. Four major components comprise the Citizen Match:

- (1) A competitive floor in public campaign funding is guaranteed to all qualified candidates to ensure adequate communication with voters and competitive campaigns.
- (2) Small private contributions are encouraged in lieu of or in addition to the publicly financed floor. Donations are matched according to a regressive schedule: public matching of smaller donations is proportionally larger than the funding accorded to larger donations.
- (3) In order to defray public financing costs, Citizen

Match encourages larger, anonymous, private contributions in lieu of or in addition to public monies.

(4) Citizen Match encourages the participation of all candidates who can demonstrate a certain minimum threshold of public support and who agree to submit to campaign spending limits.

B. The Proposal

i. Funding Levels and Source of Campaign Funds

Citizen Match jointly applies public matching, public grant, and privately contributed funds to election campaigns under highly flexible terms. Each candidate who qualifies for and accepts the terms of the Citizen Match is guaranteed a minimum competitive financing floor; the floor represents the maximum allotment in public grants and may be foregone in part or in full based on a candidate's willingness and ability to raise private funds. Participating candidates may raise privately matched or un-matched funds that proportionally exceed the spending floor. However, if monies collected exceed a predetermined total spending ceiling, candidates must offset the costs incurred by the public as part of the initial grant, although they may continue to collect private contributions if they so prefer. The public fund will also match smaller contributions on a regressive schedule, providing an incentive for candidates to solicit contributions in denominations that ordinary citizens can afford. Larger contributions are acceptable, but must be made anonymously, in accordance with the contribution booth and dispersal algorithm proposed by Ian Ayres; this ensures that individual donors' identities are not disclosed.

As costs of living and campaigning are not constant across states and districts, the aforementioned funding floors, spending ceilings, and contribution limits must vary with respect to campaign location. Total and registered-voter population, me-

dia market size, advertising costs, travel costs, and the campaign location's geographic configuration should all factor into Citizen Match's funding levels. To this end, any implementation thereof must include a complex pricing index that takes these cost-related factors into account; the objective here is to ensure that every qualified candidate has the ability to raise sufficient resources to effectively communicate with the voters. Meeting this threshold requires that voters and incumbent policymakers resist spending cutbacks, because decreased public fund expenditures would only hamper the electoral prospects of qualified, under funded challengers.

ii. Funding Mechanism and Implementation

The FEC would be charged with running the new Citizen Match program. It would define individual spending limits and public grant allotments, set state qualification requirements, develop an appropriate administrative and regulatory framework, and prepare an annual budget. Congress would maintain budgetary oversight, and would have to approve the Commission's annual budget proposals.

To ease the systemic stresses inherent in any reform process, Citizen Match should follow a staggered introduction scheme. The new campaign finance system would go into effect for a given district as soon as one of the following three conditions is met: the incumbent senator or representative retires, leaving an open seat; the incumbent voluntarily opts in to the system prior to retirement; or, if three full election cycles (six years) have elapsed since the time of passage. Beyond mere political expediency--incumbent politicians are notoriously disinclined to compromise their electoral advantage--the grandfather clause is justified insofar as it allows for a more gradual and nuanced trial-run implementation of a full overhaul reform. Indeed, early adoption of the system in a smaller, more diverse group states would allow the FEC to adjust its Citizen Match regulations to make sure that it is flexible and robust enough for long-term use. Finally, the de-

layed implementation scheme places initiative in the hands of incumbent politicians, subject to public pressure, and can motivate increased individual responsibility in comparison to a top-down implementation approach.

iii. Weaknesses and Other Considerations

Although the Citizen Match seems a theoretical improvement over past models of federal campaign finance reform, it must meet several challenges before it can be implemented. As with any increased spending reform, Citizen Match would require a small but not insignificant annual public expenditure to supplement private campaign contributions. Overcoming the rhetorical hurdles outlined above will be a challenge in both the public and legislative domains. Second, Citizen Match will invariably face high levels of opposition from incumbent officeholders who would view the major increase in potential challenger funding as a threat to their respective careers. Underscoring such elements as the delayed implementation scheme and the maintenance of “free market” competition above a competitive floor (as opposed to a one-size-fits-all regime) can help to alleviate incumbent officeholders’ concerns. Third, effectively communicating the relatively complex Citizen Match system to politicians, the public, and the press will pose an additional obstacle to implementation. As a multipart hybrid approach that draws on four different models of reform, Citizen Match cannot be grasped or explained without a comprehensive understanding of the existing reform. As such, advocates of Citizen Match will need to effectively translate the supporting data and theory into understandable everyday terms. Fourth, achieving full implementation of this and any related reform will require a massive mandate of public pressure and support. Advocates for reform must therefore begin their work outside the capitol beltway by connecting the issues of reform to ordinary issues of concern in our daily lives.

C. Conclusion

The Citizen Match scheme diverges from its counterpart public financing regimes by effectively responding to core political demands that presently stand in the way of reform. As a flexible hybrid system, it preserves those elements of the existing private financing regime—namely small donor involvement as an expression of legitimate political support—that are not cause for concern. It incorporates public funds where their impact is greatest while reducing the taxpayer burden through preservation of larger, strictly anonymous private checks. It establishes a credible threshold for all qualified candidates to compete without enforcing candidate parity when such is not the case. And it recognizes the political challenges associated with legislative passage and implementation by responding partway to genuine incumbent concerns.

To be sure, the debate over campaign finance reform is far from complete. Even as reformers and political scientists have sought to push the boundaries of election reform, for the vast majority of Americans both inside and outside of government, changing the way the nation finances campaigns ranks near the bottom of their list of concerns. The challenge for reformers is two-fold: to move beyond a purely theoretical and empirical debate and apply the democratic failures to everyday concerns; and to introduce for wider consideration the various solutions proposed to address the many problems observed in American elections today.

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