

Talking Points

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HR 359: Terminating Public Funding of Presidential Elections



This legislation seeks to end a 35-year-old program that uses money taxpayers choose to help pay for presidential campaigns and political conventions. The impetus for creating this public-financing system was the 1970s Watergate scandal and the desire to make fundraising for presidential elections more transparent.

This legislation has drawn sharp criticism from campaign-finance watchdog groups who argue that the program should be expanded, not eliminated, to reduce special-interest money in elections.

Currently, taxpayers can designate a \$3 contribution to the public-financing system by checking a box on their federal income tax form. The money comes from taxes paid to the U.S. Treasury and does not affect a person's tax refund or payment.

This attempt to fast-track a bill that will destroy the presidential public finance system and privatize election fundraising is highly irresponsible. This violates recent pledges by the GOP's leadership of increased transparency, accountability and debate in Congress. Not one hearing has been held on the legislation, nor has a single committee debated its merits. If it passes, it will roll back more than 30 years of law born out of the Watergate scandal, eviscerating one of the few remaining protections stopping corporations from heavily influencing American elections.

House Republicans' much-touted "Pledge to America" criticized Democrats for "limiting openness and debate" during the legislative process and vowed to "ensure that bills are debated and discussed in the public square." The Pledge says the GOP "will fight to ensure transparency and accountability in Congress and throughout government." And in House Speaker John Boehner's first remarks after taking control of Congress' lower chamber, he spoke of a greater emphasis on "real transparency" and "greater accountability." He went on, "Above all else, we will welcome the battle of ideas, encourage it, and engage in it—openly,

honestly, and respectfully." Bringing forth such sweeping legislation without Committee hearings and markups completely contradicts these promises.

Public financing of presidential campaigns provides matching tax dollars to the small donations received by candidates who agree to publicly finance their campaigns, instead of relying on private donations. The intent is to encourage small donations, and the burden on taxpayers is not much: Americans can voluntarily contribute \$3 to the fund on their federal tax filings. The public finance system was created in the aftermath of the Watergate scandal in the mid-1970s. After President Richard Nixon's re-election campaign was found to have illegally accepted hundreds of thousands of dollars from big corporations, Congress created a public financing system so that candidates would not have to rely on corporations and deep-pocketed donors to finance their campaigns.

Since 1976, every Democratic and Republican presidential candidate has used the public financing system except Barack Obama's 2008 campaign. The way reformers see it, the presidential public financing system needs repair, not repeal. Meredith McGehee, policy director at the

Campaign Legal Center, says the amount of public funds currently available to candidates is too small to be competitive in modern presidential races. She says lawmakers need to update the system to better emphasize small donations to candidates and raise the total amount of public funding available. "Imagine if you didn't make any changes to the tax code since 1976. Of course public financing is outdated. The issue, then, is not to get rid of, but how to fix.

Legislation to make presidential public financing more competitive has won support from both parties in the past. In 2003, Sens. Russ Feingold (D-Wisc.) of and John McCain (R-Ariz.) introduced a bill that would reform the public financing system; Reps. Christopher Shays (R-Conn.) and Marty Meehan (D-Mass.) filed a companion bill in the House. "The public financing system for presidential elections, which aims to allow candidates to run competitive campaigns without becoming overly dependent on private donors, is a system worth improving and preserving," the lawmakers said in a joint statement.

More recently, Rep. David Price (D-NC) introduced the Presidential Fund Act, which would notably increase the funds available to candidates

who opt in to public financing. In 2007, when Price introduced his bill, cosponsors included three Republicans—Reps. Mike Castle of Delaware, Todd Platts of Pennsylvania, and Shays. (Castle and Shays no longer hold office.) Price offered the bill again in 2010, and says he intends to offer it yet again in the 112th Congress. As for the Republicans' plan to gut public financing, Price remarks that it "looks like the Republican Party moving to toss red meat to the tea party."

Already good government groups and campaign finance reformers are drumming up opposition to the GOP's plan. Craig Holman, a lobbyist for the public interest group Public Citizen, says his organization and others like it will urge lawmakers to oppose the GOP's bill because it violates the GOP's transparency promises, both on the 2010 campaign trail and now as the House majority. "This just came out of the blue, has had no deliberation and no discussion within the Republican and Democratic conferences," Holman says. "They have just been seated and they're already breaking the ground rules on how they'll do business."