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Minnesota's Campaign Financing Program Faces Growing Problems

Veteran Watchdog Group Recommends Ways to Reduce Money's Growing Influence over Campaigns

Minnesota's public campaign financing program has long led the nation in limiting big money's power in state elections, but large private donors have played a ballooning role in the state's elections since the mid-1990s. The legislature should implement specific reforms to mitigate big money's influence in elections, concludes a new report, *Public Campaign Financing in Minnesota: Damming Big Money in the Land of 10,000 Lakes*, issued today by the Center for Governmental Studies (CGS).

For nearly 35 years, Minnesota has provided public funding to candidates who agree to limit their campaign spending. In 2006, for example, only 16 percent of contributions to participating candidates came from political parties, PACs and lobbyists.

Minnesota's public campaign financing system is still considered one of the finest in the country. While seventeen other states have similar programs, no other state program enjoys higher participation rates than Minnesota, where well over 90 percent of candidates have opted into the program since 1990. Minnesota also provides candidates with about one third of the total



money they receive per general election, which is more public funding than they would receive in almost any other state with a similar program.

Despite these successes, Minnesota's public campaign financing program faces a serious and growing challenge: independent expenditures by political parties and other non-candidate groups. Independent expenditures by political parties have escalated from 0.1 percent of total campaign spending in 1996 to 59 percent of total campaign spending in 2006. The high spending by political parties undermines the public financing program's ability to reduce the influence of private money in campaigns—and that produces serious consequences for the public's trust in government.

"If Minnesota does not change its laws to keep up with these new developments, its law will become less and less effective," commented Tracy Westen, CEO of the Center for Governmental Studies.

The report, based on two years of study, recommends that Minnesota:

- Provide additional public financing ("rescue funds") for participating candidates facing heavy opposition spending.
- Place contribution limits on grants to political committees, political parties and political party units.
- Subject all advertisements meant to influence elections to the same disclosure rules that apply to candidate committees.
- Offer public financing to candidates in the primary elections and increase the number of \$50 contributions candidates must collect to qualify for the program.
- Require all candidates to disclose their contributions and expenditures electronically and display all of this information in the state's online searchable database.

Damming Big Money and other CGS reports are available on the CGS website, www.cgs.org. The JEHT Foundation provided funding for this report, but it is not responsible for the statements or views expressed in the report.



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