

DOES OUR GOVERNMENT REPRESENT US?



# THE REALITY OF CAMPAIGN FINANCE

**\$** MONEY =  POWER

The cost of elections has skyrocketed to an unacceptable level.

To run a successful campaign for high office, candidates must have a well-known name, personal wealth, or access to high-dollar donors. Politicians with two (or all three) of those things have an even greater advantage.

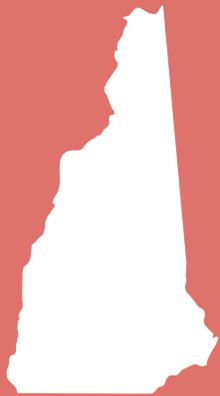
Large campaign contributions are often rewarded with access to lawmakers, which translates into legislative influence. They buy access to the governor's office, or a chance to talk with an executive

councilor before an administrative decision is finalized. While there may not be a paper trail, it's obvious that the money is being spent for some reason—and that reason is probably related to the donors' interests, not the public's interest.

For many decades, we have seen the effects of a system increasingly twisted by special interests, big business, and economic privilege—and it's affecting every part of our government, from energy policies to tax structure, health care, and our state's response to the opioid epidemic.

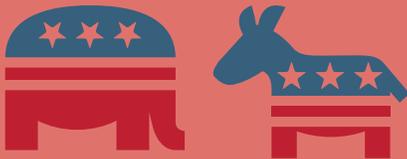


**WE NEED MORE  
VOICES AND  
PERSPECTIVES  
REPRESENTED.**



80%

NH voters believe special interests have more influence than voters in NH politics



Support in NH and elsewhere is **BI-PARTISAN**

76% Democrats

50% Republicans

68% Independents

## RUNNING FOR OFFICE IN NEW HAMPSHIRE

### Too Much Private Money in the System

Remember when state candidates would kick off their campaigns just a few weeks before the primary election? They would start by asking some friends or family for support. They'd get out in their communities, talk with voters, plant some signs, and go to the polls on election day. **That was about it.**

For the majority of state races today, the situation is radically different. Campaigns are costly, usually employ professional fundraisers and consultants, and increasingly rely on third party and out-of-state support to get their message to the public.

In 2016, **more than \$3 million** was spent on races for New Hampshire state senate—including almost 900 contributions by lawyers/lobbyists to various candidates.

**IN THE PAST TWO DECADES, NO CANDIDATE HAS WON NEW HAMPSHIRE'S GOVERNOR'S RACE RAISING LESS THAN \$1.2 MILLION. IN 2002, THE WINNING CANDIDATE SPENT MORE THAN \$11 MILLION!**

This constant need to raise funds affects politics and public policy. A serious candidate has to court large donors, with the attached obligations (spoken or unspoken), instead of spending most of his or her time hearing the concerns of voters and learning about the issues that matter to the public.

We are seeing more and more money is flowing into New Hampshire state politics from out-of-state sources. In 2014, **out-of-state sources spent \$2.4 million on gubernatorial and state senate races**—and even on many house races. In 2016, **almost half of the governors' political contributions came from out-of-state donors and organizations.** New Hampshire prides itself as being homegrown and ruggedly individualist—but if you follow the money under our current campaign finance system, you discover that our elected officials depend on out-of-state interests.

# THE GOVERNOR'S SEAT

## Now Reserved for the Wealthy?

**New Hampshire's gubernatorial race can be very costly.**

Over the past **TEN** election cycles, more than

**\$54.6M**

has been raised by candidates seeking to be New Hampshire's governor

Winning gubernatorial candidates raise an average of almost

**\$3M**

per election



Gubernatorial candidates also self-finance their campaigns more than any other contenders for state office. Every winning candidate for the past 10 election cycles, has helped finance their own campaign. In 2002, Craig Benson spent \$10.6 million to win his race. In 2004, John Lynch spent \$2.1 million.

If you're not wealthy or extremely well-connected, chances are you're not going to be governor of New Hampshire.

And if you are wealthy and well-connected, who are you likely to represent as governor? All those other well-connected people who supported you? Or the average New Hampshire citizen?

## THE EXECUTIVE COUNCIL

### Power in the Executive Branch

New Hampshire's executive council provides oversight of the executive branch of state government. The five councilors are elected every two years at the same time as the governor. They do not make laws, but they do vote to approve or reject contracts and appointments to high-level administrative positions.

About half of New Hampshire's state services are provided by private contractors. Vendors range from independent snow plow drivers to large corporations providing health insurance. The executive council frequently votes to approve or reject contracts worth millions of dollars.

In 2016, candidates for executive council raised almost \$1 million for their campaigns—including from some donors who are state contractors.

**WHEN YOU HAVE TAKEN  
A VENDOR'S CAMPAIGN  
CONTRIBUTION, IS IT  
REALLY POSSIBLE TO VOTE  
OBJECTIVELY ON THE  
CONTRACT?**



“We talk about a lot of issues as being crises, but protecting the integrity of our democracy from the corrupting influence of moneyed interests must be our first priority. Without a functioning democracy, we cannot properly address any of the other existential threats to our country and world.”

— STATE REPRESENTATIVE  
ELLEN READ (D-NEWMARKET)

## RUNNING FOR SENATE

### A Lot of Money “Invested” in Campaigns

Back in 1996, the average campaign for state senate cost a little over \$7,000. In 2016, six of the winning candidates raised more than \$100,000. Total fundraising by senate candidates crossed the \$3 million mark in 2014—almost 10 times what was raised back in 1996.

State senate candidates receive their funding in many, often roundabout ways. Like gubernatorial candidates, many state senate candidates significantly self-finance their campaigns. Candidates have poured more than \$2.5 million of their own money into their senate campaigns during the last 10 election cycles.

Other substantial contributions come from lobbyists, political action committees, parties, corporations, individuals with strong ideological agendas, and friends and family.

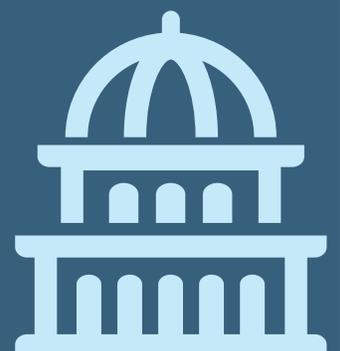
No one has been able to measure the extent to which large donors impact legislative decisions. But common sense says there must be a reason why donors are so generous. Typically, large donors are, at least, rewarded with easy access to the officials they helped elect.

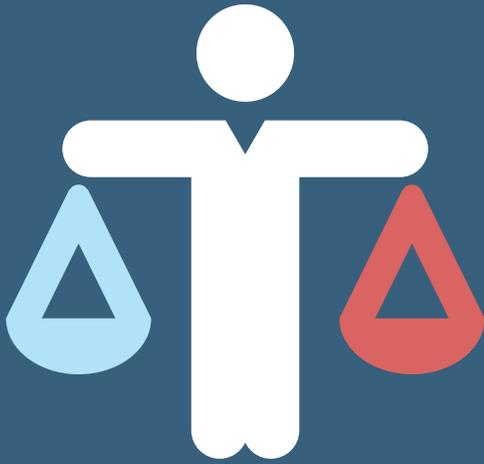
Lobbyists are major contributors to senate campaigns. In 2014, lawyer/lobbyists spent more than \$250,000 on senate races— more than 14 times what that group donated in 1996. Lobbyists also provide elected officials with research to help “inform” their voting decisions. Sometimes they provide pre-written legislation, ready for elected officials to file.

Corporations and professional associations give money across party lines in New Hampshire, usually to incumbents. In state senate races, it all adds up to hundreds of thousands of dollars each election cycle—given by donors that can’t vote, because they’re not people.

#### Top Non-Individual Donors to Senate Campaigns in the past 10 years

NH Association of Realtors	\$244,550	65% to Republicans
Gallagher Callahan & Gartrell	\$177,350	54% to Democrats
NH Automobile Dealers Association	\$175,784	51% to Democrats
Professional Fire Fighters of NH	\$164,956	89% to Democrats





## THE SOLUTION

### Voter-Owned Elections

How do we reduce the influence of money in politics, and **rebalance the system**. A voluntary system of public funding for campaigns, also referred to as **public financing of elections**, provides a workable and proven alternative to privately financed campaigns.

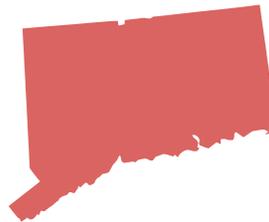
Public funding of campaigns was first proposed by President Theodore Roosevelt more than 100 years ago. Today, 27 jurisdictions around the country have some type of public funding for campaigns. These systems are funded by a variety of revenue sources, and used by candidates from both parties—and some of the systems have been around for decades.



#### MINNESOTA

started its system of public funding in **1974**

During the 2016 elections, **74%** of candidates in covered races opted to participate.



#### CONNECTICUT

started its system in **2005**

During the 2016 elections, **72%** of candidates in covered races opted to participate.



#### MAINE

started its system in **1996**

During the 2016 elections, **64%** of candidates in legislative races participated. Voters like the system so much that they passed an update to the system by citizen initiative in 2015.



**“I think we’ve played with this issue of campaign financing long enough. We need to do something”**

—STATE REPRESENTATIVE KATHLEEN HOELZEL (R-RAYMOND)

## How public-funded election systems work

In return for limited public funding, participating candidates agree to accept only small private contributions. This process avoids conflicts of interest after the election. It also gives candidates the time and opportunity to talk with voters and listen to their concerns.

Publicly financed campaigns work for voters and candidates because they:

- Put running for office in reach for all, even candidates who are not independently wealthy;
- Reduce the time candidates spend calling big donors and increase the time they spend talking with constituents, learning the issues, and developing solutions;
- Increase equal opportunity, integrity, and transparency in the political system;
- Encourage more competition in the political process;
- Diminish the influence of special and out-of-state interests and increase the focus on the public interest;
- Recognize that good legislators may not necessarily be good fundraisers;
- Strengthen local control by reducing the influence of out-of-state donors; and
- Stop “crony capitalism” such as subsidies and tax breaks that benefit private interests at the expense of the common good.



**80%**

Granite Staters believe that special interests have more influence than do voters in New Hampshire politics

**66%** **INDEPENDENTS**

**59%** **REPUBLICANS**

**71%** **DEMOCRATS**

Would be more likely to vote for a candidate who participates in the public funding program\*

**TWO-THIRDS**

of voters support public funding of campaigns

The NH legislature’s first study committee wrote legislation to create a “Clean Elections” system in

**2000**

**but the bill was not passed.**

The legislature has continued to study the idea through a bipartisan commission, a task force, and yet another study committee. All of these groups recommended public funding of state campaigns—but the legislature has yet to pass a bill to create the system. Is that because of the influence of special-interest campaign donors?

**Public funding for campaigns is a 20-year promise that needs to be fulfilled.**

\*[www.opendemocracynh.org/nh\\_poll\\_12-2017](http://www.opendemocracynh.org/nh_poll_12-2017)



Open Democracy is a nonpartisan organization working to create political equality for all through an open, accountable, trusted government free from the corrupting influence of big money politics. We work to improve public policy and practices by gathering and disseminating information, developing workable solutions, and engaging people in discussion, problem solving, and action. Currently, our primary focus is to educate the public and lawmakers about the benefits of publicly funded campaigns in New Hampshire.

**PLEASE CONTACT US NOW**  
to find out how we can work **together**  
to build the strong bipartisan support  
need to advocate for **reform**.

**(603) 715-8197**

**[info@OpenDemocracyNH.org](mailto:info@OpenDemocracyNH.org)**

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