

Michael E. Toner

Reforming Campaign Finance

In the next few days, debate will begin again on whether any of the Democratic presidential candidates will join President Bush in declining public funds for the primaries. If any of the top-tier Democratic candidates opts not to accept public funds, the possibility is very real that the nominees of both the major parties will be operating outside the public financing system during the primaries for the first time.

A consensus is growing that the presidential public financing system is in serious trouble. An unrealistically low primary spending ceiling, declining taxpayer checkoff rates, front-loaded primaries and the exploding cost of presidential campaigns have all conspired to marginalize the system.

During the past several election cycles, Republican and Democratic candidates alike remained in the system and became their parties' presumptive nominees in March of the election year, only to find that they had little or no money left to spend for as long as six months before the national conventions. Little wonder that today's presidential candidates are thinking twice about remaining in this system, which does not reflect the practical realities of running for president in the 21st century.

Congress could, however, take major action to fortify the public financing system for 2008 and beyond.

Scott Thomas, a colleague of mine on the Federal Election Commission, and I have developed a bipartisan package of legislative changes that would allow candidates who participate in the system to raise and spend significantly more money and have additional resources to wage successful primary campaigns all the way up to the conventions. Our legislative proposal would:

- Raise the primary spending limit to match the general election spending limit. This would increase the primary limit from \$40 million to about \$75 million. Given that the primary process today lasts 18 months or longer, while the general election season lasts only a few months, it makes little sense for the primary spending limit to be lower than the general election limit. Increasing the primary limit would also make it much more feasible for top-tier candidates to remain in the system.

- Increase the total amount of matching funds that each candidate can receive to half of the newly raised primary spending limit. This would increase the amount of public money available per candidate from less than \$20 million to approximately \$37.5 million.

- Double the maximum match on contributions from \$250 to \$500 per donor. This would parallel the recent doubling under the new campaign finance law of the individual contribution limit from \$1,000 to \$2,000 per election. It would also restore the old 4-to-1 ratio between the contribution limit and the maximum matchable amount, which has been diluted to 8-to-1 under the new law.

- Tighten the eligibility requirements for candidates to receive public funds. Congress is entitled to limit public funds to candidates who can show they have significant, broad-based support. No such showing is required today; candidates can begin receiving matching funds once they get 400 contributions in 20 states totaling \$100,000. Some presidential candidates receive contributions in those amounts in a week or even a day. Tightening the eligibility requirements would help ensure that public money was spent only on serious candidates who have national support.

Rather than strengthening the system, Congress could decide to abolish public financing of presidential elections altogether.

Any system of public financing must have popular support to succeed. Today's low taxpayer checkoff rates cast serious doubt on whether the public financing system has this support. Since the mid-1980s, the percentage of taxpayers who designate that a portion of their income tax go to the public financing system has been in the teens or low 20s. During the past four years, the checkoff percentage has hovered between 11 percent and 12 percent. When only one in nine taxpayers are participating, it is very difficult to conclude that the public financing system has broad popular support.

If this country is going to have a public financing system for president, it ought to be a practical and realistic system and not one that forces candidates to choose between remaining in the system and putting themselves at a competitive disadvantage.

Serious candidates for president cannot be blamed for opting out of a public financing scheme that is badly outdated. If both major-party nominees opt out of the system for the primaries in 2004, we may be on the path, absent congressional action, toward a balkanized scheme in which only lower-tier candidates participate in the system.

The writer is a member of the Federal Election Commission, appointed by President Bush.