

Cost Estimates for a Program of Public Financing of Campaigns for State-Level Political Offices and Appellate Judicial Offices in Washington

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Background

Various proposals have been presented to the Washington State Legislature to establish a comprehensive program for public financing of campaigns for state-level political offices and appellate judicial offices. These proposals usually encompass races for statewide executive offices, the state legislature, the state Supreme Court, and the state Court of Appeals.

The cost of such a program is uncertain, due to factors such as those noted below. Nevertheless, a reasonable starting point for estimating the cost is the aggregate amount spent in recent years on races as to which public financing would be available under the proposals. The addition of estimated costs for voter education, administration, and enforcement would then yield a base-line estimate for operating a public financing program that would provide overall funding at levels comparable to those of the recent past.

Once such a base-line estimate is established, the ways in which costs of a program are likely to depart from past experience can be approached incrementally. Factors likely to affect such costs include both (a) those generated by specific provisions of the public financing program itself (such as requirements established to qualify for public funding and prescribed levels of public funding) and (b) those attributable to general factors (such as trends in overall costs associated with political campaigning). In the aggregate, such factors might have the effect of either increasing or decreasing the estimated overall cost of the program relative to historical spending levels.

Current Costs of Candidates' Campaigns for State-Level Political Offices and Appellate Judicial Offices in Washington

Elections are held every four years in Washington – most recently in 2004 – for the following nine statewide executive branch offices:

- Governor
- Lieutenant Governor
- Attorney General
- State Auditor
- Public Lands Commissioner
- Insurance Commissioner
- Secretary of State
- Superintendent of Public Instruction
- State Treasurer

In the legislative branch, elections are held every two years in even-numbered years. Senators and representatives are elected from forty-nine districts, with one senator elected for a four-year term and two representatives each elected for a two-year term from each district. Twenty-four or twenty-five senators, along with ninety-eight representatives, are thus elected every two years.

In the judicial branch, each of the nine justices of the Supreme Court serves a six-year term, with three justices being elected statewide every two years in even-numbered years. On the Court of Appeals, each of the twenty-two judges is elected from a specified judicial district and serves a six-year term. Five, seven, or eight Court of Appeals judges are elected in each even-numbered year, and one Court of Appeals judge is elected in each of two out of every three odd-numbered years.

The electoral pattern discussed in the preceding paragraphs results in a rolling four-year cycle – the most recent being 2003-2006 – that includes one even-numbered year in which executive, legislative, and judicial races are regularly held (e.g., 2004), one even-numbered year in which only legislative and judicial races are regularly held (e.g., 2006), and two odd-numbered years in one or both of which one Court of Appeals race is regularly held (e.g., 2003 and 2005). (Variations to the general pattern exist and numbers increase slightly when special elections are required to fill unexpired terms).

According to the Washington State Public Disclosure Commission (“PDC”), the following amounts were spent by candidates in state-level political races and appellate judicial races held in the 2003 – 2006 period¹:

2003:	\$ 401,777
2004:	\$40,778,320
2005:	\$ 543,623
2006:	\$ <u>20,661,555</u>
Total:	\$ <u>62,385,275</u>

That amounts to an annual average of \$15,596,319 during the four-year period.

The U.S. Census Bureau has estimated Washington’s population in 2005 to be 6,287,759.2. Dividing that number into the average annual cost to candidates for state-level political campaigns and appellate judicial campaigns during the 2003 – 2006 period yields a cost of \$2.48 per Washington resident per year.

Independent Expenditures

An independent expenditure is an amount spent in support of or opposition to a candidate by an individual or group that is not affiliated with the campaign of that candidate or of another candidate in the same race. Programs for public financing of political campaigns frequently address the issue of independent expenditures by supplementing to some extent initial grants made to candidates participating in the programs to at least partially compensate for independent expenditures made in opposition to those candidates or in support of their opponents. Independent expenditures thus have the potential to increase the cost of a public financing program above what it would be in their absence.

According to the PDC, independent expenditures pertaining to state-level political races and appellate judicial races in Washington for the calendar years 2003 – 2006 were as follows³:

2003: \$ 0
 2004: \$ 7,911,934
 2005: \$ 0
 2006: \$ 5,788,655
 Total: \$ 13,700,589

That amounts to an annual average of \$3,425,147 during the four-year period. Dividing that number by the 2005 estimated Washington population of 6,287,759 results in \$0.54 per Washington resident per year.

Administration, Enforcement, and Voter Education Costs

In addition to expenditures for campaigns, a public financing program would incur costs for voter education and for administration and enforcement. A reasonable basis for estimating those costs may be found in the experience of Arizona, which has had a state-level public financing program in place since 2000 and has a population roughly comparable to Washington’s (2005 estimates: Washington: 6,287,759; Arizona: 5,939,292⁴). According to the 2003 – 2006 annual reports of the Arizona Citizens Clean Elections Commission,⁵ Arizona’s average annual expenditures for voter education for its program for the years 2003 – 2006 were \$1,574,519, and for administration and enforcement were \$609,536, for an average annual total of \$2,184,055. Arizona’s aggregate grants to candidates during that period averaged \$3,395,888 per year.

With a population similar to Arizona’s, it may be assumed that Washington’s voter education costs would be similar. At the same time, with more offices eligible for Washington’s program (approximately 139 every two years v. approximately 94 every two years in Arizona) and substantially higher assumed aggregate grant amounts (averaging \$15,596,319 vs. \$3,395,888 annually), it is likely that Washington’s administration and enforcement costs would be appreciably higher than Arizona’s. Assuming Washington’s voter education costs are 25% higher and its administration and enforcement costs are 150% higher than those incurred by Arizona during the 2003 – 2006 period would result in estimated costs of \$1,968,149 and \$1,523,840, respectively, for a total of \$3,491,989, or \$0.56 per Washington resident per year.

Summary of Estimated Annual Program Costs

Adding the various program cost elements derived above yields the following:

	<u>Average Annual Costs</u>	
	<u>Overall</u>	<u>Per WA resident</u>
Candidates’ expenditures:	\$15,596,319	\$2.48
Independent expenditures:	\$ 3,425,147	\$0.54
Administration, enforcement, and voter education costs:	\$ <u>3,491,989</u>	<u>\$0.56</u>
Total:	<u>\$22,513,455</u>	<u>\$3.58</u>

Variables Likely to Affect Program Costs

Various factors might affect the cost of a program of public financing for campaigns for state-level political offices and appellate judicial offices in Washington, including:

- The percentages of candidates who would choose to use the public financing option, as opposed to the traditional private financing option
- The potentially increased number of candidates who would choose to run for office because of the availability of the public financing option
- Requirements established for candidates to qualify for public financing
- Levels of initial public financing established for various races for both primary and general elections
- Supplemental amounts, if any, granted to participating candidates in response to higher levels of expenditures by nonparticipating candidates
- Supplemental amounts, if any, granted to participating candidates in response to independent expenditures pertaining to their races
- Actual costs incurred by the program for the voter education and the administration and enforcement functions
- Inflationary trends and other variations in general costs of campaigns.

Conclusion

Some of the foregoing variable factors can be influenced at least partly by the design of a public financing program. For example, the number of candidates attracted to the program – and the associated costs of publicly funding those candidates’ campaigns – would likely be affected by the numbers and amounts of qualifying contributions candidates would be required to raise in order to participate in the program. Ideally a public financing program would provide sufficient incentives to encourage participation by qualified candidates and enable them to run competitive campaigns without the program’s incurring undue overall costs.

Whatever the precise parameters of a program that might be adopted, it is apparent that Washington could implement a public financing program that would provide as much aggregate funding as was expended with respect to all the political campaigns for its state-level political offices and appellate judicial offices in the 2003 – 2006 period for approximately **\$3.58 per Washington resident per year.**

Notes:¹ These figures were obtained from the PDC website at pdc.wa.gov. The amount for 2004 was obtained via links from the home page sequentially to “Historical Data,” “Historical Publications,” “Campaign Financing Fact Books,” and “2004 Election Financing Fact Book,” followed by adding the relevant amounts listed on page 6 of the 2004 Fact Book. Amounts for 2003, 2005, and 2006 were obtained via links from the home page sequentially to “Search the Database” and “Contribution and Expenditure Totals,” insertion of the respective offices and years, clicking on the “Search the Database” button, and adding the figures for the various candidates for the respective years. For the state senator and state representative candidates in 2006, the process was facilitated by transferring the data to an Excel spreadsheet for adding the voluminous

entries. The PDC's reported figures exclude the costs of campaigns of candidates raising and spending no more than \$3,500 plus filing fees who opt out of the PDC's full reporting requirements. (Note that PDC website configurations and page titles sometimes change. Assistance in finding information on the website may be obtained by contacting the PDC at 877-601-2828 or 360-753-1111.)

² quickfacts.census.gov

³ These figures were obtained from the PDC website at pdc.wa.gov. Amounts for 2003, 2004, and 2005 were obtained via home page links sequentially to "Historical Data," "Historical Publications," and "Independent Expenditures," followed by selection of the pertinent years. The amount for 2006 was obtained via home page links sequentially to "Historical Data," "Elections Database Searches and Summary Reports," "2006 Elections Database Searches and Summary Reports," and "Independent Expenditures/Electioneering Communications." In each case reported expenditures were examined to determine their applicability to state-level political campaigns or appellate judicial campaigns. Independent expenditures are reported by the PDC by calendar year, while candidates' expenditures are reported with respect to specific elections, but the difference has no practical effect on the results of this report. (Note that PDC website configurations and page titles sometimes change. Assistance in finding information on the website may be obtained by contacting the PDC at 877-601-2828 or 360-753-1111.)

⁴ quickfacts.census.gov

⁵ azcleanelections.gov (via home page links sequentially to "Publications," "Documents," and "Annual Reports"), in the "Financial Information" sections of the pertinent annual reports.