



Is Cleanliness Political Godliness?
Arizona's Clean Elections Law after Its First Year

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In 1998, Arizona voters passed the Citizens Clean Elections Act. Its purpose was to eliminate the alleged deleterious effect of private money on state politics: the influence of private contributions on elected officials and the advantages enjoyed by candidates with large campaign chests. The Citizens Clean Elections Act established an optional system of public campaign finance for those people seeking state offices. Candidates may forswear private contributions and in return receive public subsidies for their campaigns. The money for the subsidies comes from compulsory and noncompulsory sources.

Fourteen states provide some public subsidies for political candidates. Seven fund candidates for state legislative office. Of those, however, most provide only partial or matching support for candidates who agree to stay below a specified spending cap. Arizona is one of only three states (Maine and Massachusetts are the other two) that, as of this writing, provide legislative candidates with public funding for up to the full amount of statutory caps—typically \$10–\$20 thousand (Common Cause 1999).⁷

In 2000, 233 candidates ran for seats on the Arizona Legislature; of those, 54, or 23 percent, were Clean Elections candidates.⁷ There were also 5 candidates for the Arizona Corporation Commission who accepted public subsidies. During this election cycle there were no races for the other offices—governor, attorney general, secretary of state, superintendent of public education, and mine inspector—eligible for Clean Elections money. A total of \$1.9 million was given to the 59 participating candidates. Of those candidates running for the legislature, 14 won a seat: 2 in the Senate (1 Democrat and 1 Republican), and 12 in the House (2 Republicans and 10 Democrats.) Clean Elections candidates won both races for the Corporation Commission.

This report analyzes the effects of the Citizens Clean Elections Act after its first election cycle to determine its impact on the competitiveness of legislative races in 2000. Compared with 1996, which was the last presidential election year, the 2000 election saw a small increase in the competitiveness of races. That is, the number of races with more candidates

⁷ I wish to thank Lauren Kummerer and Keith Aspinall, research interns at the Goldwater Institute, for their assistance.

⁷ This report refers to candidates who accepted public subsidies as “participating candidates,” “Clean Elections candidates,” or “publicly subsidized candidates.” Candidates who accepted private contributions will be referred to as “nonparticipating candidates” or “privately funded candidates.”

in 2000 than in 1996 was slightly higher than the number of races in which the number of candidates declined. The only dramatic changes in 2000 were a decline in the competitiveness of Republican primary races and an increase in the number of Democratic candidates in Senate races. However, in many races, the increase in the number of candidates can be attributed to factors other than Clean Elections—especially vacant seats caused by term limits.

This report also explores whether accepting public subsidies caused legislators to vote differently from legislators who continued to accept private support. It compares the votes of publicly and privately supported legislators on bills considered by the Arizona legislature during the 2001 session to the positions taken by numerous interest groups on the same bills. It finds, after controlling for the ideology of legislators, no meaningful difference in the way subsidized and unsubsidized legislators voted. That is, legislators who used public funds to get elected were equally likely to vote for or against most interest groups such as the Arizona Chamber of Commerce, the Sierra Club, the National Rifle Association, and Planned Parenthood as their privately financed counterparts in the same party.

Finally, this report comments on the concerns that are raised by an expansion of campaign finance regulation and subsidies like the Clean Elections Act. Most important are the threats against First Amendment rights. Taken to its intended limit, the act will make political campaigns, for office at least, a wholly owned subsidiary of the state government, giving the government significant power over political speech in the state. There is also the fact that a majority of the funds distributed under the act are coerced, which forces all residents to support political ideologies that they may not agree with.

We must weigh the costs and benefits of increasing the competitiveness of political campaigns. In 2000 the average Clean Elections candidate for a legislative seat spent more than the overall average candidate, so the money spent on elections in 2000 was likely *greater* than it would have been without the Clean Elections Act. When a candidate receives private backing, it is safe to assume that, at least to some of the public, his opinions and positions make an important contribution to the policy debate. Otherwise, his supporters would not contribute the time, money and other resources needed for a campaign. With public funding, however, there is no such market test. Is a candidate's presence in a legislative race worth \$25,000 or more in subsidies?

Given its negligible impact, its cost, and its infringement of First Amendment rights, the Clean Elections system should be repealed. Unfortunately, under present law the courts are virtually the only branch of

government that has the power to modify or abolish the Clean Elections Act. A lawsuit filed by the Institute for Justice may succeed in stripping away two-thirds of the revenue used for the subsidies, effectively emasculating the act. Absent this, it is up to Arizona voters to eliminate the act through an initiative.

Several foundations have spent millions of dollars to spread the Clean Elections model to other states. Despite the large amount of cash that will be used to persuade them, voters in other states should learn from Arizona's experience and steer clear of the Clean Elections system.

How the Clean Elections Act Works

The title of this section is somewhat misleading. The Citizens Clean Election Act is complicated and implementing it required a monumental effort by the commission charged with the task. Commissioners dealt with such brainteasers as: Can candidates serve snacks at parties given in their home to gather signatures? Are haircuts campaign expenditures? This section does not offer enlightenment on the minutiae of the act; rather it is a simple outline for the Clean Elections novice of how the system works. Those who are initiated into the act's intricacies may skip the rest of this section, except for the final paragraph, feeling secure that he or she will not miss any great insight.

The Citizens Clean Elections Act established a voluntary system to fund campaigns for state offices, created a Clean Elections fund to provide money to candidates choosing to participate, and created a tax credit and levied a variety of surcharges and fees to fill the fund. For candidates choosing not to participate, the act lowered the limits on private campaign contributions and imposed new reporting requirements. The act also created a Citizens Clean Elections Commission to enforce its provisions. The Commission is also charged with providing information to voters and holding debates at which participating candidates are required to attend.

Where the Money Goes

Candidates who participate in the Clean Elections process accept spending limits set down in the act that presently range from \$26,970 for those seeking legislative office to more than \$1 million for gubernatorial candidates. The limits are adjusted upward through time to account for inflation and population growth. The legislative limit for the 2000 election was \$25,000.

To participate as a "clean" candidate, aspirants to political office must gather a certain number of \$5 qualifying contributions. Legislative candidates must obtain 200, gubernatorial candidates, 4,000. A reporting slip

must be filled out, in triplicate, for each contribution. The candidate must submit the signatures along with the money and one copy of the reporting slips to the secretary of state for certification. Participating candidates are eligible to receive up to 100 percent of the spending limit from the Clean Elections Fund. Candidates from continuing parties (a party that has as its membership .67 percent of registered voters or that has fielded a gubernatorial candidate in the previous election who received at least 5 percent of the vote) are eligible to receive the full amount. Since they do not face primary opponents, independent candidates receive 70 percent of the limit, and those with no opposition get an amount equal to \$5 times the number of signatures gathered to qualify as a candidate.

Candidates receive 40 percent of the limit for the primary election and the remaining 60 percent for the general election. Legislative candidates in districts that are designated as dominated by one party may receive up to one-third of their general election funds during the primary. If a participating candidate has a nonparticipating opponent who exceeds the spending limit, the participating candidate is eligible to receive money from the Clean Elections Fund matching the opponent's spending dollar-for-dollar, up to three times the statutory limit.

In the 2000 election a total of \$1.9 million was given to 59 participating candidates.

Where the Money Comes From

Money for the Clean Elections Fund comes from three sources:

- ✍ A \$100 fee imposed on lobbyists for trade associations and for-profit companies. Lobbyists for non-profit organizations such as environmental groups, labor unions, welfare advocates and cities and towns are exempt. Approximately 2 percent of the Fund's revenue comes from this source.
- ✍ A 10 percent surcharge on civil and criminal penalties in the state. Thus, everyone who pays a traffic ticket in the state has an extra 10 percent added onto the fine that is put into the Clean Elections Fund. This accounts for around 68 percent of the Fund's revenue.
- ✍ A checkoff on individual state income tax returns that allows taxpayers to divert \$5 from the state's General Fund to the Clean Elections fund.
- ✍ A tax credit that allows taxpayers who make a donation to the Clean Elections Fund to deduct it, dollar-for-dollar up to \$500, from their tax liability. About 28 percent of the Fund's revenue comes from these last two sources.

The author has railed against the outrageous nature of these funding sources elsewhere (Franciosi 2000). The lobbyist fee is a gratuitous and discriminatory slap at certain groups for exercising their First Amendment right to petition the government, and the surcharge forces residents to support candidates whose views they might find objectionable. The Institute for Justice has challenged both on constitutional grounds as violations of the First and Fourteenth Amendments (Maass 2001b). Vermont's Supreme Court struck down as unconstitutional a similar lobbyist fee that was used to publicly fund political campaigns in Vermont (*Arizona Capitol Times* 2001).

Privately Funded Candidates

The *Clean Elections Handbook* issued by the Clean Elections Institute, a private organization dedicated to promoting and defending the Clean Elections Act, states that candidates choosing not to participate “are affected only by additional reporting requirements and modified contribution limits.” In fact, the Clean Elections Act cut the contribution limits already in law by 20 percent, and the reporting requirements are quite onerous.

To ensure that participating candidates receive any matching funds they are entitled to by the act, privately funded candidates must file regular financial reports on their campaign. In addition to the six reports already required by Arizona law, nonparticipating candidates must file an initial report when their expenditures during the primary hit 70 percent of the primary election spending limit. If they do not exceed the limit during the primary, they must file a report during the general election when the money they have available for the general election reaches 70 percent of the general election spending limit.

Furthermore, each time a candidate spends (during the primary election) or has available (during the general election) an additional 10 percent of the spending limit (or \$25,000, whichever is lower) a supplemental report must be filed—weekly during designated election periods, and daily during the two weeks before the election.

The Clean Elections Act is notorious for being burdensome and confusing—for both participating and nonparticipating candidates. The state elections director told the treasurers of participating candidates, “My advice to you is to go back to campaign headquarters and trick somebody else into doing the job” (*Arizona Republic* 1999, Sherwood 2000).

One of the stated purposes of the Clean Elections Act and other campaign finance regulations is to restore the balance between the little guy and big money interests. However, as is often true with the tax code and issues such as health, safety, and the environment, it is fiendishly difficult for

a little guy to navigate through the thickets of government regulations. Just as big companies can afford the compliance officers and human resource experts needed to keep them out of trouble, well-funded candidates can afford the lawyers and accountants necessary to tell them if a plate of cheese straws will land them in jail. Those regulations counteract the lure of subsidies, which is supposed to attract additional candidates. However, to what extent they do is not clear.

Money for What? The Evidence on Money and Politics

The corrupting influence of money in politics is a common topic in the debate over campaign finance reform, so it is probably surprising for most to learn that the evidence for any systematic effect (that is, excluding the occasional bribery scandal) of money on electoral victory or legislative action is unclear. The difficulty in finding a link between campaign spending and electoral success is due to the fact that strong candidates will attract both more contributions and more votes. So even if a candidate raises bushels of money and wins a heap of votes, it is hard to say whether the money bought the votes or the candidate's magnetism attracted both.

Researchers have tried various statistical techniques to separate candidate chickens from campaign finance eggs, with most studies focusing on the U.S. Congress. Early work tended to find that campaign spending benefited challengers more than incumbents, leading many to conclude that expenditure limits were incumbent protection (Levitt 1995). Later, more sophisticated studies found more complex effects. Grier (1989) when looking at the U.S. Senate, found that incumbent and challenger spending were both effective. Expenditures by challengers were more effective than expenditures by incumbents when small amounts were spent. However, once spending levels increased, incumbent spending became more effective. Gerber (1998), also examining elections for the U.S. Senate, found that challenger and incumbent spending were equally effective. However, the typical incumbent's ability to spend more gave him a 6 percent edge in vote share.

Turning to the U.S. House of Representatives, Levitt (1994) again found no difference between the effectiveness of challenger and incumbent spending. However both effects were extremely small. Using the 1990 House election as an example, a challenger who increased his spending from \$200,000 to \$300,000 would see his share of the vote increase by less than one percentage point. An incumbent who increased spending from \$400,000 (the typical amount spent in 1990) to \$500,000 would again see his vote share rise by less than a percent. In their study of House elections, Erikson and Palfrey (1998) found an incumbent advantage that increased and then decreased over time.

The problem of cause and effect also confronts those trying to tease out the effect of campaign contributions on legislative votes. Many studies have found that special interest contributions are positively correlated with votes on issues such as trucking regulation, legislation governing agriculture, labor laws, cargo preferences, auto emission standards, dairy price supports, and so on (Bronars and Lott 1997). Does that imply money buys votes, or do contributors give to ideologically sympathetic politicians? Studies that have attempted to determine cause and effect have found little evidence that money buys votes (Chappell 1982, Grenzke 1989). Legislators who announce they are going to retire see a significant drop in contributions, but do not change how they vote (Bronars and Lott 1997). One study did find, however, that donations from political action committees make it more likely that a legislator will attend, vote, and offer amendments during committee meetings (Hall and Wayman 1990).

The relatively little money that is actually spent on legislative races gives circumstantial evidence against the proposition that money has overwhelming power at the state capitol. In the 2000 election, candidates for legislative office spent \$5.3 million—less than 1 percent of the \$1.9 billion Arizonans give to charity each year (National Center for Charitable Statistics 2001). To paraphrase Gordon Tullock, professor of law and economics at George Mason University, if large favors are indeed for sale at the state capitol, interest groups are irrationally underinvesting in politics. So in spite of the rhetoric that special interest dollars are steamrolling the public interest, the evidence indicates that in politics, as in other walks of life, money can't buy everything.

Political Surplus? The Effect of Clean Elections on Legislative Races

In 2000, 233 candidates ran for a seat on the Arizona Legislature; of these, 54, or 23 percent, were Clean Elections candidates.* There were 231 candidates in the primary races, an 8 percent increase over the 213 candidates in the 1996 primary races. Table 1 gives the breakdown of candidates by election and their success.

* Also, five of the eight candidates for the Arizona Corporation Commission, two Republicans and three Democrats, were Clean Elections candidates. Both Republicans were elected.

Party	Primary Election				General Election			
	Total	Total Clean	Clean Won	Total Won	Total	Total Clean	Clean Won	Total Won
Republican	115	10	6	69	69	6	3	51
Democratic	96	40	32	68	68	30	11	39
Libertarian	12	0	0	10	10	0	0	0
Green	8	4	4	7	7	4	0	0
Independent	-	-	-	-	2	0	0	0
Total	231	54	42	154	154	40	14	90

Use of public funding provided by the Clean Elections Act was tilted heavily toward the left end of the political spectrum: 41 percent of Democratic and 50 percent of Green candidates were participating candidates, versus 9 percent of Republican and 0 percent Libertarian candidates. Clean Elections candidates fared well in the primary election with 74 percent winning a slot in the general election—against an overall success rate of 66 percent. Participating candidates did not do so well in the general election, however, with only 35 percent winning a seat.

To determine if the Clean Elections Act has made races more competitive, we look at the number of candidates running for each seat. Tables 2 and 3 show how many races, primary and general, which had an increase or decrease in the number of candidates running in 2000 compared to 1996—the last Presidential election year. For example, the first entry of the first column in Table 2 shows that there were 7 Republican primary races for House seats in which more candidates ran in 2000 than in 1996. There were 13 Republican House primaries in which fewer candidates ran than four years before.

A rise in Libertarian and Green party candidates increased the overall number of candidates running in 2000. Libertarian candidates, however, are excluded from the tables below because no Libertarian candidate took public subsidies. Any increase in competitiveness due to more Libertarians cannot be attributed to Clean Elections. Green Party candidates are included in the figures for the general election. Still, although most Green candidates took public money, the upsurge can be only partially attributed to the availability of subsidies. No doubt, the emergence of Green candidates can also be attributed to the party fielding a well-known and charismatic candidate for President.

	Republican		Democratic	
	Number of Races with Increase in Candidates	Number of Races with Decrease in Candidates	Number of Races with Increase in Candidates	Number of Races with Decrease in Candidates
House	7	13	11	9
Senate	6	10	10	4

	Number of Races with Increase in Candidates	Number of Races with Decrease in Candidates
House	10	8
Senate	8	7

The most notable change between the two years is in the primary races. Whereas Republican primaries tended to become less competitive, Democratic primaries generally saw an increase in the number of candidates running—most noticeably in the Senate.

The most visible piece of evidence for the Clean Elections Act increasing the competitiveness of races is found in the Democratic primary races. There were 11 Democratic primary races for House seats in which the number of candidates was greater in 2000 than in 1996. Of those, 9 involved Clean Elections candidates. Of the 10 Senate races that saw an increase in the number of candidates, 8 involved Clean Elections candidates. For the Republicans races, on the other hand, of the 13 primaries that saw an increase in the number of candidates running, only one involved a Clean Elections candidate.

In the general election, there were 8 Senate races that had an increase in the number of candidates over 1996. Five of those races involved Clean Elections candidates, but there is another factor that can be credited for the increase as well—term limits. Of the 8 Senate races that had more candidates running in 2000 than in 1996, 5 were for seats vacated because of term limits. If you throw in District 1, where an incumbent retired between 1996 and 2000, the increase in the competitiveness of 6 of the 8 races over the four-year span can be credited to the absence of incumbents.

Of the 10 House races with an increase in the number of candidates from 1996 to 2000, 9 involved Clean Elections candidates. Again, as with in the Senate races, the increases may also be attributed to other factors. In 2 of the 9 races, the additional candidates were nonparticipating Republican or independent challengers in solidly Democratic districts. In 4 contests, the

number of candidates was the same in 2000 as it was in 1998, thus the increase can be attributed to a trend that started before the Clean Elections Act was passed. Term limits played a part in 3 races as well. In only 2 of the 9 races, can the increase in competitiveness be laid solely at the feet of public subsidies.

In summary, the 2000 election saw only a slight increase in candidates and a slight net increase in the competitiveness of elections. The most notable increase, in the Senate races, can be attributed to term limits. The absence of six incumbents who ran unopposed in 1996 attracted candidates to compete for those spots. That in turn caused an increase in the corresponding primary races.

All of which leaves open the question of how much competition we need in political campaigns. The reflex answer, “the more the merrier,” suffices when candidates are wholly supported by private backers. However, when candidates receive public support, to the tune of more than \$25,000 each, it is legitimate to ask the question if having additional candidates is worth the cost. It is especially pertinent given that most Clean Elections money will go to candidates who won’t make it out of the primaries. Are Democratic or Republican voters better off if they can choose from among six candidates rather than four? How many different shades of policy on abortion or taxes need to be voiced?

The potential waste of resources is more vivid when one takes into account that in 2000 the average Clean Elections candidate for a legislative seat spent \$29,265 in contrast to the \$22,783 spent per candidate overall.[†] Thus, in 2000 at least, the amount of money spent on elections was *greater* than it probably would have been without the Clean Elections Act.

Government subsidies, whether for farmers, airlines, or politicians, have a universal effect. They sustain those who would be better off finding another line of work, and they cause a surplus of the commodity that is subsidized. Politicians, however, unlike corn or milk, cannot be warehoused, either to be handed out to the poor or used as an alternative fuel source. Each election, voters will have to live with a political glut: placards on every street corner, flyers choking their mailboxes, and ads that blare from the television and radio. We then have to ask ourselves, could all of those resources have been put to better use?

[†] This number is affected by the many candidates, independent or otherwise, who spent very small amounts. If those are factored out, the average spending per legislative candidate for the 2000 race was \$25,874, still less than the average subsidized candidate.

The Effect of the Clean Elections on Legislative Action

The purpose of the Clean Elections Act was to emancipate elected officials from the leverage of big money interests. Once liberated, common thinking holds, legislators will be free to act for the benefit of the general public. But a look at the voting record for the 2001 legislative session finds little difference between subsidized and unsubsidized candidates.

Receiving Clean Elections money certainly did not make candidates clean campaigners. One challenger mailed several scathing and misleading flyers that distorted her opponent's record. One flyer contained several negative newspaper headlines that either had nothing to do with her opponent, or were completely made up. Another aspirant in a multi-candidate primary used nearly all of the \$45,000 in public money for a concentrated attack on one opponent. The assault featured numerous mailers—sometimes several in one day—“cheesy” telephone messages, and radio spots in which the candidate himself sang (*Arizona Republic* 2000a).

Such abuses led the Clean Elections Commission to contemplate asking candidates to take an oath swearing not to smear opponents. Although respect for free speech prevailed, consideration of such an action shows the danger of publicly financed campaigns. Sooner or later, the government will be tempted to use the leverage it has through funding to restrict the speech of candidates (Coates 2001).

The Clean Elections Act's first campaign cycle also witnessed several cases of fraud and abuse. Two candidates pled guilty to forging many of the 200 signatures needed to qualify for public money (*Arizona Republic* 2000b). One Clean Elections candidate used the public money she received to pay her mother and sister for consulting services. She also used money for furniture, restaurant bills, movie rentals and cell phone charges (*Arizona Republic* 2000a).

How Clean Elections Legislators Vote

To test whether public funds affected the way legislators vote, we compared legislator votes on bills considered by the Arizona legislature during the 2001 session with the positions taken by numerous interest groups on the same bills. Fourteen Clean Elections candidates were elected to the legislature in 2000. Of those, 2 were senators (1 Republican and 1 Democrat) and 12 were members of the House (2 Republicans and 10 Democrats). Of the 14, 8 (1 senator and 7 representatives) were incumbents.

To learn the positions of various interest groups on bills before the legislature we combed the newsletters, position papers, issue alerts and end-of-session wrap-ups issued by those groups during and after the 2001 session.

The end result was a list of 48 interest groups and the positions they had taken on over 200 bills. Table 4 lists the groups and their success rate in the 2001 legislative session. A success is defined as positive action (passage by either house) on a bill supported by that group or negative action (failure in a floor vote, or failure to even take a vote) on bills opposed by that group. This, of course, is a crude measure since it does not take into account a group's success in amending bills.

The most successful groups were the senior lobby (e.g., American Association for Retired Persons) and the health care lobbies. Groups with narrow professional or ideological agendas did very well (e.g., certified public accountants, Planned Parenthood) or very poorly (e.g., Arizona Right to Life, dental hygienists). Those groups tend to take a stand on a small number of bills dealing with a single topic. So, depending on the mood of the legislature in a particular session, they may see their entire agenda pass or fail. Over 80 percent of the groups had a 50 percent success rate, and nearly half had a success rate of 80 percent or more.

Table 4. Interest Group Success Rate in 2001 Legislative Session			
Organization	Successes	Failures	Percentage
AARP	31	0	100
Arizona Police Association	29	0	100
Arizona Nurses Association	18	0	100
Arizona Hospital and Healthcare Association	17	0	100
Arizona Rock Products Association	6	0	100
Children's Action Alliance	6	0	100
Arizona Association of Chiefs of Police	5	0	100
Arizona Consulting Engineers Association	4	0	100
Arizona Society of Certified Public Accountants	3	0	100
Planned Parenthood	3	0	100
Arizona Airports Association	2	0	100
Arizona Ambulance Association	2	0	100
Arizona Bankers Association	2	0	100
State Board of Directors for Community Colleges	2	0	100
Arizona Association of Counties	35	2	95
Arizona Contractors Association	17	1	94
Arizona Public Health Association	13	1	93
Arizona Alzheimer's Association	8	1	89
Arizona Chamber of Commerce	20	3	87
Arizona Medical Association	13	2	87
Arizona Cattlemen's Association	11	2	85
League of Arizona Cities and Towns	22	5	81
American Federation of State, County and Municipal Employees	13	3	81
Arizona Association of Realtors	12	3	80
National Rifle Association	4	1	80
Arizona School Boards Association	25	7	78
National Federation of Independent Business	18	6	75

Organization	Successes	Failures	Percentage
Arizona Bridge to Independent Living	3	1	75
State Bar	12	5	71
Greater Phoenix Chamber of Commerce	57	28	67
Arizona Association of Industries	14	7	67
Arizona Pharmacy Association	7	4	64
Arizona Retailers Association	16	10	62
Arizona Education Association	3	2	60
Arizona Municipal Water Users Association	5	4	56
Sierra Club	21	19	53
Arizona Catholic Conference	7	7	50
Arizona Association of Community Health Centers	3	3	50
Arizona Library Association	2	2	50
League of Women Voters	1	1	50
Arizona Tax Research Association	12	14	46
Arizona Newspaper Association	3	4	43
Arizona State Rifle and Pistol Association	2	3	40
Arizona Multihousing Association	1	2	33
Arizona Right to Life	2	5	29
Center for Arizona Policy	2	5	29
Firearms Action Committee Tucson	1	4	20
Arizona State Dental Hygienists Association	0	3	0

For bills that reached a vote on the floor of either house, we matched the positions of interest groups on each bill to the votes of individual legislators. A legislator was considered to vote *with* an interest group if he or she voted for bills supported by the group or against bills opposed by the group. A legislator was considered *against* the group if he took did the opposite. We then used statistical analysis (weighted least squares logit regression) to determine how the probability of a legislator voting with an interest group was affected by various factors.⁷ In addition to the legislator being a Clean Elections candidate, we also examined party affiliation and whether the legislator was from a rural or urban district. We also controlled for which chamber the legislator belonged to account for the fact that different chambers often considered different bills.

The results of our analysis are given in Table 5. The numbers given are odds ratios that divide the probability of legislators of a given type voting with an interest group to the probability of legislators not of that type voting with the group. Ratios greater than one mean that candidates of that type tended to vote for that specific group, ratios less than one imply that candidates of that type voted against that group. (Only statistically significant ratios are shown.) So the third line of the second column shows

⁷ Full results of the statistical analysis are available from the author upon request.

Table 5. Odds of Voting with Interest Group		
Group	Clean	
	Elections	Democratic
AARP	NS	3.11
American Federation of State, County, and Municipal Employees	NS	1.44
Arizona Alzheimer's Association	2.40	1.78
Arizona Association of Chiefs of Police	NS	NS
Arizona Association of Community Health Centers	NS	1.33
Arizona Association of Counties	NS	2.30
Arizona Association of Industries	NS	0.37
Arizona Association of Realtors	NS	NS
Arizona Catholic Conference	NS	3.80
Arizona Cattlemen's Association	0.57	0.58
Arizona Chamber of Commerce	NS	0.48
Arizona Contractor's Association	NS	NS
Arizona Education Association	NS	NS
Arizona Hospital and Healthcare Association	NS	3.71
Arizona Library Association	NS	18554.96
Arizona Medical Association	NS	NS
Arizona Multihousing Association	NS	219.87
Arizona Municipal Water Users Association	1.73	0.67
Arizona Newspaper Association	NS	NS
Arizona Nurses Association	NS	1.88
Arizona Pharmacy Association	NS	0.71
Arizona Police Association	NS	2.83
Arizona Public Health Association	NS	3.57
Arizona Retailers Association	NS	0.39
Arizona Right to Life	NS	NS
Arizona Rock Products Association	NS	1.32
Arizona School Boards Association	NS	1.42
Arizona Society of CPAs	NS	NS
Arizona State Rifle and Pistol Association	NS	0.53
Arizona Tax Research Association	NS	0.33
Center for Arizona Policy	NS	0.61
Children's Action Alliance	NS	1.56
Firearms Action Committee—Tucson	NS	3.05
Greater Phoenix Chamber of Commerce	NS	0.39
League of Arizona Cities and Towns	NS	2.15
National Federation of Independent Business	1.70	.45
National Rifle Association	NS	0.51
Planned Parenthood	NS	215.77
Sierra Club	NS	2.29
State Bar of Arizona	NS	NS

NS=No Significant Difference

that a Clean Elections candidate is 2.4 times more likely to vote with the Arizona Alzheimer's Association than is as a privately funded candidate. The

reader is cautioned that, because the results are highly dependent on the organizations' agendas for that specific session, the odds ratios describe only past performance and may not predict future results.

Table 5 shows that Clean Elections legislators for the most part voted no differently than those who accepted private donations. Clean Elections legislators tended to vote against the cattlemen but for municipal water users, the Alzheimer's lobby, and significantly, the National Federation of Independent Business. Publicly funded legislators voted no differently than privately funded ones on issues important to business (Arizona Association of Industries, Greater Phoenix Chamber), the environment (Sierra Club), guns (Firearms Action Committee—Tucson, National Rifle Association), social issues (Center for Arizona Policy, Planned Parenthood), and welfare (Children's Action Alliance, Arizona Catholic Conference).

This is quite different from the behavior of Democratic legislators, who voted in utterly predictable ways. Democrats were 44 percent more likely than Republicans to vote in support of the public employees' union, 50–60 percent less likely to support business groups (except, curiously, for the Rock Products Association), 2.3 times more likely to support the Sierra Club, and 216 times more likely to support Planned Parenthood.

Although previous research would lead one to expect a weak relation between contributions and votes, the results presented here provide more robust evidence of that. By studying legislators whose campaigns were wholly funded by the public, we are free of the difficulties of separating cause and effect that have plagued previous research.

The results presented here support the observation made by others that the Clean Elections Act has had no apparent effect on the legislature (Maass 2001a). Legislators who accepted no money from private interests voted almost exactly same way as their privately funded colleagues. All of which undermines the simple cash-for-votes model upon which the act was sold to voters. More subtle relationships and deeper influences surround lawmakers. First, there are the ideological beliefs and principles held by the lawmaker. Next, there is the interest of the district he represents. Finally, lobbyists offer more to legislators than donations—probably the most valuable being basic information about the issues.

Conclusion

This report has found that the Citizens' Clean Elections Act had no great impact after its first election cycle. There was no great increase in the number of candidates. Although there was an increase in the number of competitive races, the effect of public subsidies is hard to unravel from other

factors, such as term limits and an apparent Democratic resurgence in some districts that started before the Clean Elections Act took effect. However, even if the Clean Elections Act is found to have multiplied the number of candidates now or in the future, it is impossible to determine if the benefit of the extra political verbiage outweighs the cost of the public subsidies.

This report also found that publicly funded legislators voted no differently from legislators who accepted private donations. They did not show a greater propensity to vote against business groups, or for welfare or environmental groups. It is a fundamental belief of advocates of increased regulation of political campaigns that special interest money buys votes—despite the ambiguous evidence. The results presented here contradict that belief.

Given the meager effect of the Clean Elections Act, it is reasonable to ask if the act is worth the expense. The Clean Elections Commission estimates that it will hand out \$14 million to candidates in the 2002 election cycle, and there is the possibility that it will still run out of money. Will Arizona citizens benefit from the additional political humbug caused by the subsidies, or can the resources devoted to placards and television spots be put to better use?

Even if the fund stays solvent, there are still deeper problems with the Clean Elections Act. The ultimate goal of the act is to make political campaigns, for office at least, a wholly owned subsidiary of the state government. This would give the state chilling power over political speech in the state—a power whose use has already been contemplated, but has fortunately still been left alone.

There is also the fact that a majority of the funds distributed under the act are coerced, which forces all residents to support political ideologies that they may not agree with. Thomas Jefferson's comment in his *Bill for Religious Freedom*, is apt: "To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical." The First Amendment exists not because Christmas crèches at city hall might hurt the feelings of unbelievers, but because forcing someone to support with tax payments ideas that he finds revolting is morally wrong. It is the use of public resources, not the public display that is objectionable. This is true whether the ideas are religious or political.

The Clean Elections Act should be repealed. Unfortunately, the courts, practically speaking, are the only branch of government that has within its power to modify or abolish the act. Article 4, part 1, section 1 of the Constitution requires a three-fourths majority in the legislature to modify

laws put into place by voter initiative—and then only if the changes further the general intent of the law. If the lawsuit filed against the act by the Institute for Justice succeeds, the fund will be bereft of two-thirds of its revenue, leaving only money raised from the voluntary tax credit. This could still be a significant amount of money for fringe candidates, but not a potential driving force for elections. Absent success in the courts, the only practical way to eliminate the act is through citizen initiative.

Several foundations have spent millions of dollars to spread the Clean Elections model to other states. In Arizona, backers of the initiative spent more than \$900,000, much of it from out of state. The head of the campaign stated: “I wish we could do it with Arizona money. But if you’re going to upset the status quo, you’re going to need some advertising firepower” (Murphy 1998). So it is not the influence of big money, per se, that bothers advocates for greater regulation and public subsidization for political campaigns, it is whose big money is doing the influencing.

Despite the large amount of cash that will be used to persuade them, voters in other states should steer clear of the Clean Elections idea. It contains significant dangers to First Amendment rights, spends a large amount of money, and, based on Arizona’s experience, provides no benefits.

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