

OREGON 2006 CAMPAIGN FINANCE REFORM MEASURES: FACTS, NOT FICTION

A group called "Our Oregon" is distributing flyers about the Oregon campaign finance reform measures. The flyers do not identify who they are. Nor does their web site. They offer many false and misleading statements.

We challenge "Our Oregon" to a public debate, so these false statements can be exposed. Portland Community Media is ready to televise the debate throughout the Portland area and to provide the tape to cable access systems statewide.

What are the 2006 Oregon Campaign Finance Reform Measures?

Petition 8 is a simple, one-sentence amendment to the Oregon Constitution to allow the enactment of statutes in Oregon to establish finance limitations for campaigns for all state and local public offices in Oregon. Enacting Petition 8 is a critical step, because the Oregon Supreme Court in 1997 ruled that the existing Oregon Constitution does not allow any limits on political contributions at all.

Petition 37 is a detailed statute to establish a comprehensive system of campaign finance reform for candidate elections. Its most important feature is banning all contributions and expenditures by corporations, because today corporations provide most of the campaign cash for Oregon candidates. Over the past 10 years, corporate contributions to candidates have exceeded those of labor unions by 5-1 and those of all other progressive groups by hundreds to one.

Qualifying these measures for the ballot is the goal of FairElections Oregon (FEO). We have held about 30 meetings, open to everyone, to discuss campaign finance reform in Oregon since 1999. The volunteers in this effort include David Delk, Ruth Duemler, Bryn Hazell, Harry Lonsdale, Lloyd Marbet, Dan Meek, Liz Trojan, Linda Williams, and hundreds of others. Our meetings to compose the measures were open to everyone. Many progressive groups were represented at the meetings, including the labor unions.

THE INCORRECT STATEMENTS OF "OUR OREGON"

"Our Oregon" says: *"These measures impose extreme limits on Oregon's environmental, civil rights, and choice groups. If they became law, political non-profits could accept no more than \$500 from any donor, which would require most groups to cut staff and current operations severely."*

This is both false and misleading. Petition 37 allows any group involved in politics to receive unlimited contributions and spend unlimited amounts on anything it wants, as long as it does not use the money to communicate with the general public to urge a vote for or against one or more candidates during the period 30 days prior to the primary election or 60 days prior to the general election.

In addition, Petition 37 allows any group unlimited contributions and spending for:

1. communicating with its own members on any subject at any time and in any manner;
2. publicizing its activities and attracting new members;
3. preparing scorecards on votes cast by public officeholders;
4. conducting surveys of candidates' positions on issues;
5. encouraging people to vote or register to vote;
6. supporting or opposing ballot measures; and
7. communicating with the general public on any or all issues, as long as it does not advocate the election or defeat of a candidate during the 30-day period prior to primary election voting or the 60-day period prior to general election voting.

Petition 37 does not restrict the activities of volunteers. It completely exempts all "Volunteer personal services (including those of the candidate) for which no compensation is asked or given, including unreimbursed travel expenses."

In addition, any group or person can do **both** of the following:

1. **Form a regular political committee and receive contributions from individuals of up to \$500 per individual per year.**

The committee can use these funds to support or oppose candidates, either by contributing to candidate campaigns or by communicating directly with voters. This is the \$500 limit that "Our Oregon" appears to refer to.

2. **Form a "Small Donor Committee," which can receive only contributions from individuals in amounts not higher than \$50 per person per year.**

A membership organization (Sierra Club, labor union, etc.) can even transfer up to \$50 per year of regular membership dues into its Small Donor Committee. A Small Donor Committee can use all of these funds to support or oppose one candidate, if it chooses, or any number of candidates.

In addition, anyone interested in any issue can also form a separate small donor committee and also receive contributions from individuals of \$50 or less per year and spend all of those funds supporting or opposing any candidates. So, anyone who might wish to support pro-choice candidates, for example, could contribute up to \$2,500 per year to Small Donor Committees (\$50 each to 50 committees) that support a woman's right to choose, and those committees could use all of those funds to support a single candidate or any number of candidates.

Finally, Petition 37 would not "require most groups to cut staff and current operations severely." It would have that effect only on political front groups that are funded by corporations or wealthy individuals and which have few members and no ability to attract members.

Petition 37 Benefits Progressive Groups, since Right-Wing Candidates Are Funded Mainly by Corporations

"Our Oregon" says: *"Initiative Petitions 8 and 37 will give right-wing groups a huge advantage."*

This is false. **"Our Oregon" completely disregards the effect Petition 37 will have on right-wing candidates. They get their campaign money almost entirely from corporations and wealthy corporate executives. Petition 37 bans all corporate**

contributions and expenditures to support or oppose candidates in all Oregon state and local elections. Such bans already exist in 24 states. Petition 37 also limits each individual's total contributions to \$2,500 per year. Already, 10 states have such aggregate limits on individual contributions (\$10,000 per 4-year period in Maryland, \$10,000 per year in Rhode Island and Wisconsin, etc.).

The premise of "Our Oregon" is that right-wing candidates in Oregon are funded primarily right-wing groups. This is not accurate. As we document below, Oregon candidates who are right-wing on social issues are overwhelmingly funded by corporations and other business interests. The corporations support them, because nearly all candidates who are right-wing on **social issues** are also right-wing on **economic issues**. They favor giving corporations unfair tax breaks and allowing them to destroy the environment and abuse workers and consumers without effective government regulation.

Petitions 8 and 37 would give an advantage to all Oregon progressives, regardless of their parties.

"Our Oregon" says: "Already, Oregon Right to Life raises far more money than all of Oregon's pro-choice groups combined."

This is very misleading. Considering that right-wing candidates receive about 99% of their campaign funding from corporate interests, what Oregon Right to Life spends on candidates races is trivial. "Our Oregon" overlooks the fact that Petition 37 bans all corporate contributions to all candidates, and that is where right-wing candidates get most of their money.

Let's look at the Right to Life example offered by "Our Oregon." In the 2004 election cycle, all "pro-life" groups combined contributed a grand total of \$105,000 to state and local candidates in Oregon (81% to Republicans, 19% to Independents). **But the corporations contributed about \$13 million to the same group of "conservative" (right-wing) candidates.** These candidates were thus funded 99% by business interests and less than 1% by all "pro-life" groups combined, including Oregon Right to Life. [source of all data: Institute for Money in State Politics, www.followthemoney.org]

In the 2004 cycle, the pro-choice groups contributed \$83,000. **So the pro-life groups outspent the pro-choice groups**

by only \$22,000, while over \$13 million of corporate cash went primarily to support the right-wing candidates.

The story was the same in the 2002 election cycle, with Republican candidates getting 100% of the contributions from the "pro-life" groups and the same candidates getting about 99% of their funds from business interests. In the 2002 cycle, the corporations contributed about \$20 million to Oregon candidates. Petition 37 bans all corporate contributions.

The right-wing candidates are also supported by huge contributions from wealthy individuals (some for ideological reasons and some for business reasons). The anti-choice candidate for governor in 2002, Kevin Mannix, received giant contributions from individual corporate executives, including \$540,000 from Loren Parks (medical equipment), \$250,000 from Rod and Rich Wendt (timber), \$200,000 from Joan Austin (medical equipment), and many others. Petition 37 limits the contributions of any individual to a total of \$2,500 per year. Again, "Our Oregon" ignores the big picture.

"Our Oregon" says: "Planned Parenthood's PAC could contribute no more than \$400 to a pro-choice legislative candidate, while Right to Life's small donor committee could spend literally any part of the hundreds of thousands of dollars its raises in donations of \$50 or less."

This is misleading, implying that Petition 37 allows some groups preferential treatment. Petition 37 treats all political membership groups the same. Under Petition 37, Planned Parenthood can have a regular PAC (receiving contributions from any individual of up to \$500 per year) and also have a Small Donor Committee that could spend all that it raises in donations of \$50 or less per contributor per year.

Planned Parenthood can also do all of the 7 numbered actions listed on page 2 above. It could also spend unlimited amounts of money communicating with its own members, recommending that they support any number of small donor committees, each of which can accept \$50 contributions from any individual per year and then dedicate those funds to supporting or opposing any candidates they may choose. An individual can contribute up to \$2,500 per year to any combination of PACs and small donor committees.

"Our Oregon" says: *"[Petition 37] Limits production and distribution of officeholder scorecard or candidate survey to \$20,000."*

This is incorrect. As detailed above, Petition 37 allows any group to receive unlimited contributions and spend unlimited amounts on anything it wants, as long as it does not use the money to communicate with the general public to urge a vote for or against a candidate during the period 30 days prior to the primary election or 60 days prior to the general election. See the list of 7 unlimited functions on page 2, above. It does not restrict the activities of volunteers at all but instead completely exempts all "Volunteer personal services for which no compensation is asked or given, including unreimbursed travel expenses."

In addition, any group or person can form a regular political committee and receive contributions from individuals of up to \$500 per individual per year. They can also form a Small Donor Committee which can receive only contributions from individuals in amounts not higher than \$50 per person per year and use all of those funds to support or oppose one candidate, if it chooses, or any number of candidates.

"Our Oregon" distorts the provision about officeholder scorecards and candidate surveys. Petition 37 places no limit on any group's spending to prepare or produce officeholder scorecards or candidate surveys or to distribute them to the group's members. Nor is there any limit on spending to distribute such documents to the general public at any time, except 30 days before a primary election or 60 days before a general election. During that time, a group's spending "for distribution to the public" of any single officeholder scorecard or candidate survey is limited to \$20,000. Without this reasonable limit, those with the big corporate money could pump unlimited funds into misleading officeholder scorecards or candidate surveys.

Petition 37 Imposes No Reporting Requirements on Individuals

"Our Oregon" says: *"These measures create state surveillance of individual donors, instead of simply regulating political campaigns [and] will only stigmatize political contributors whose support is absolutely vital to the progressive movement."*

"Our Oregon" says: *"[Petition 37] Requires political donors to obtain individual tracking code ("handle") from the Secretary of State in order to track their political contributions in compliance with the act."*

Again, "Our Oregon" is wrong. **Petition 37 does not require anyone to report any campaign contributions to any government.** It is current law that requires candidates and political committees receiving contributions to report them to government. Petition 37 just makes this more accurate (and easier for contributors) by having the Secretary of State provide a "handle" for anyone who wants one or who contributes more than \$500 in an election cycle. A "handle" is just an abbreviation in place of a person's full contact information, like a user ID on Yahoo or AOL.

Oregon law already requires all candidates and political committees to keep records of every contribution they receive, no matter how small, and to make those complete records available to any opponent, upon request. Current law also requires all campaigns and committees to report to the Secretary of State or county elections official the name, address, employer and/or occupation of every donor contributing more than \$100 to a statewide candidate or \$50 to any other candidate.

It is hard to track all contributions accurately. For example, Mary L. Smith could make contributions in the name of Mary Smith or M.L. Smith or Laura Smith or M. Smith. Also, there may exist more than one contributor named Mary Smith. The handle system solves this problem and makes contributing to candidates easier at the same time. Instead of having to write your name, address, and employer or occupation on every contribution, you only have to state your name and handle. For example, Mary L. Smith can make a contribution by providing only her name and her handle (such as MLS-12). This allows her contribution to be accurately recorded by the candidate or committee receiving the contribution and makes it unnecessary for her to fill in her address and employment information.

Making the existing campaign reporting requirements easier and more accurate does not "stigmatize political contributors," as claimed by "Our Oregon".

Saga of Rep. Peter Buckley

"Our Oregon" says: *"Initiative Petition 37 creates such huge problems that its chief petitioner Rep. Peter Buckley, no longer endorses it."*

Peter Buckley, one of several chief petitioners, is not withdrawing from Petition 37. We believe that he is no longer supporting it, because his political future depends on pleasing the labor organizations which currently oppose Petition 37. We are disappointed that Peter has taken this position, after volunteering to be a chief petitioner on Petition 37 and strongly supporting it (and its similar predecessor, Petition 7) for over a year.

As for his drafting a different approach to campaign finance reform, his Petition 150 was filed on February 6, 2006. (We believe it would be 100% ineffective, for reasons stated at www.fairelections.net/p150.pdf) In the likely event of a ballot title challenge, this petition will have only 1-2 months at most to attract the required 101,000 valid signatures, which makes it practically impossible to qualify for the 2006 ballot. We think it was filed purely as a diversion, not because it will actually be pursued.

Our Supporters and Funding

"Our Oregon" says: *"If limiting politics to \$50 donors is such a good idea, why aren't its supporters following it?"*

First, neither of our measures limits politics to \$50 donors. Petition 37 establishes an annual contribution limit for an individual of \$2,500, not \$50. Any individual can contribute \$500 to any political committee and \$2,000 to any political party.

Second, "Our Oregon" is offering the classic demand of the establishment--that the reformers should be subject to their reforms, while the establishment remains free to attack their reforms and not comply with them. "Our Oregon" has not pledged to limit its spending of money to oppose our initiatives but demands that we unilaterally limit our campaign to funding from \$50 contributions. This does not even make sense, because there is nothing in our measures that establishes such a limit, either for ballot measure campaigns or for candidate campaigns.

Third, our initiative drive has already received monetary contributions from over 700 individuals, and hundreds of volunteers are gathering signatures across the state.

Fourth, our petitions do not limit spending on the pursuit of legislation or issues, including ballot measures. Gathering signatures on an initiative is like lobbying the Legislature to enact a bill. In fact, the U.S. Government defines the petitioning process as "grassroots lobbying." Our campaign is fully complying with every limitation that Petition 8 or Petition 37 would establish.

"Our Oregon" says: *"Initiative Petitions 8 and 37 will divide the progressive community at the very moment we're trying to come together."*

Our petitions are supported by progressive organizations that want to limit the influence of corporations and wealthy individuals on our elections. It is "Our Oregon" which is seeking to divide the progressive community by offering their false and misleading statements about Petition 8 and Petition 37.

Those opposing our initiatives have debated us only once, at a 2005 meeting of the Clackamas County Democratic Party Central Committee. **The result was an overwhelming endorsement for Petition 8 and Petition 37, despite the heated opposition at that meeting of the Executive Director of the Democratic Party of Oregon.**

We are proud to have the support of many progressive groups in Oregon, including:

Alliance for Democracy, Oregon
Clackamas County Democratic Party
Eastside Democratic Club of Portland
First Unitarian Church in Portland (several action groups)
Granny D (Doris Haddock)
Northwest Progressive Community
Oregon Gray Panthers
Oregon State Public Interest Research Group (OSPIRG)
Pacific Green Party
Sierra Club of Oregon
Pete Sorensen, candidate for governor
Women's International League for Peace and Freedom

We expect to receive more endorsements--from more grass-roots groups of Democrats, in particular.

Yes, Petition 37 will require labor organizations and other progressive groups to somewhat change their fund-raising operations. Because of the small donor committee provisions, however, they can match their current levels of spending for

candidates, as long as they have many individuals as members. But Petition 37 will remove most of the political funds available to their opponents, by banning contributions by corporations and limiting wealthy individuals to contributing \$2,500 per year. **The corporate and business interests are the overwhelming source of funding for candidates who are pro-corporation, anti-environment, and anti-union. These are the same candidates who are anti-choice, anti-gay, and anti-social justice.**

Amending the Oregon Constitution

"Our Oregon" says: *"Initiative 8 . . . would also open the door to future statutory measures or legislative action potentially different from their intended reform."*

Petition 8 is very simple. Here is the full text:

Notwithstanding any other provision of this Constitution, the people through the initiative process, or the Legislative Assembly by a three-fourths vote of both Houses, may enact and amend laws to prohibit or limit contributions and expenditures, of any type or description, to influence the outcome of any election.

Petition 8 requires a 3/4 vote of both houses of the Legislature in order to change any limit enacted by the people through the initiative process. This will make it very difficult for the Legislature to raise the limits set in Petition 37 but will allow the Legislature to make adjustments that have very, very widespread support. We do not want to repeat the experience in Massachusetts, where the legislature in June 2003 by a voice vote repealed the campaign finance reform public funding initiative that had received overwhelming voter support.

Our original version of Petition 8 would not have allowed the Legislature to make any changes at all, but we compromised with the Oregon League of Women Voters, which insisted that the Legislature continue to have some authority to amend the limits.

"Our Oregon" says: *"Other campaign finance reform advocates believe it is better to enact clear constitutional measures rather than amend the constitution in an uncertain way and thereby initiate a series of battles on the statutory level."*

This is precisely the opposite of the position of the Oregon League of Women Voters, which insisted upon preserving a role for the Legislature. Of course, "Our Oregon" does not identify any "experts," and trying to put specific limits in the Oregon Constitution is likely to be struck down by the Oregon Supreme Court as proposing more than one amendment at a time. Using this "one amendment only" requirement, the Court since 1998 has struck down 4 statewide measures adopted by the voters. That is why Petition 8 is so concise.

Petition 37 and Political Parties

"Our Oregon" says: *"[Petition 37] Restricts political party contributions to a candidate's campaign to \$50,000 for statewide offices, or \$10,000 for other political office."*

This is not true. Petition 37 allows any political party finance committee to make those contributions. It does not limit a party to having only one finance committee. For example, the Democratic party can have a finance committee for the State party organization and a separate finance committee for the Multnomah County Democratic Party, the Clackamas County Democratic Party, etc. The limits of \$50,000 and \$10,000 apply to each committee, not to a party as a whole.

Other Incorrect Statements about Petitions 8 & 37

"Our Oregon" is also spreading other false statements. For example, they say:

1. Our measures would somehow de-fund the Bus Project. **False.** Any group can do the 7 functions listed on page 2 with no limits. Also, Petition 37 specifically exempts all volunteer time and unreimbursed volunteer expenses, including travel costs.
2. Our measures would allow unlimited out-of-state contributions. **False.** The limits in our measures apply to all contributions and expenditures, regardless of their sources.
3. Our measures would somehow ban contributions to county-level party organizations. **False.** Any party organization can receive contributions from individuals of up to \$2,000 per person per year.

Again, we challenge "Our Oregon" to a public, televised debate, so the light of truth might shine.