

A Consensus for Reform: Connecticut Lawmakers Opt for Public Financing

BY NICK NYHART

During the early morning hours of December 1, 2005, Connecticut's General Assembly did something no other state legislature in the country has ever done before. It passed a bill establishing full public financing for all elections to state offices, including the state legislature. In other states, voters had passed such laws by way of the initiative process, and other legislatures had enacted such a policy, but not for their own seats. Connecticut's Democratic-dominated General Assembly elected to drastically change the rules for its own campaigns, essentially voting in campaign funding for lawmakers' potential opponents and giving up the incumbents' traditional money advantage—something that no body at this level has ever done. Republican Gov. M. Jodi Rell promptly signed the bill into law a few days later.

Together with other provisions banning lobbyist and state contractor campaign donations, Connecticut's new system is arguably the strongest in the nation when it comes to leveling the financial playing field in political campaigns. It opens up the political process to candidates without a funding base and sharply curtails traditional routes for pay-to-play influence in public policy and state contracting. It covers primaries as well as general elections.

There is no question that widespread political scandal helped create the political will to pass these reforms—political scandal that left several public officials, including the former governor, John Rowland, doing jail time. But the success of the Clean Up Connecticut campaign was just as much a product of diligent organizing on the part of reformers for more than a decade. These reformers, led by the Connecticut Citizen Action Group (CCAG) and Com-

mon Cause/CT, skillfully executed an intensive, multifaceted push for change over the year preceding enactment. Finally, there was true leadership shown by the state's lawmakers. Governor Rell made reform a cornerstone of her new office. Meanwhile, Democratic legislative leaders were able to convince a majority of their rank-and-file members to risk trading a well-established system for something new.

With this reform victory, Connecticut became the seventh state over the last nine years to adopt a full public financing alternative to the traditional private funding system, joining Arizona, Maine, New Jersey, New Mexico, North Carolina, and Vermont. Also in 2005, two cities, Albuquerque, New Mexico, and Portland, Oregon, became the first to enact such a system at the municipal level. The story of Connecticut's path to reform contains important lessons for citizens and lawmakers seeking similar changes in other states and at the national level.

Corruption in the "Constitution State" Opens the Door to Reform

A series of political corruption scandals that sent several prominent elected officials to jail set the stage for the Connecticut reforms. The convicted politicians included Joseph Ganim, mayor of Bridgeport, the state's largest city; State Treasurer Paul Sylvester, and Waterbury Mayor Phil Giordano. (Giordano was under investigation for corruption when an investigator's wiretap revealed he was engaging in paid sex with minors; he was convicted on sexual assault charges and never prosecuted for corruption.) But no scandal was bigger than the one that resulted in three-term Gov. John Rowland announcing his resignation from office in June 2004 and his sentencing nine months later to a year in fed-

eral prison. State contractors and others seeking favors had treated the governor to vacations to Vermont and Florida, charter jet trips to locales such as Las Vegas, and home repairs and improvements (most famously, a hot tub from one of his political appointees). In turn, these special interests got more than \$100 million in business with the state. Many of the gift givers were also major campaign contributors to Rowland.

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With Rowland's resignation, his lieutenant governor of ten years, former five-term state representative M. Jodi Rell, assumed the governorship. Like most lieutenant governors, Rell had been low in profile, leaving the press and other observers with few clues as to the kind of governor she would be. Her ascension to the state's top spot triggered a second change in political leadership. State Senate President pro tem Kevin Sullivan, a Democrat, replaced Rell as lieutenant governor, and seven-term State Senator Don Williams was elected by his peers to Sullivan's former post as the senate's top leader. For campaign finance advocates, Williams's elevation was critical because they considered him a stronger supporter of reform than Sullivan.

One month after assuming the governorship, in August 2005, Rell called leaders of several reform organizations into her office to hear their views on what could be done to clean up the corruption mess left by Rowland and others. This marked a complete shift from the good government groups' contentious relationship with former Governor Rowland, who had opposed many reform proposals during his decade in office. Reform groups had focused ac-

countability efforts on Rowland, issuing press releases and reports on the influence peddling that was coming to light thanks to the scandals. Rell did not embrace public financing in her initial conversation with reformers, but she made it clear that she was open to a variety of policy solutions and wanted to involve the groups as she formulated her response to Connecticut's corruption crisis.

Reformers' top policy priority was clear: to win a full public financing system modeled on the Clean Elections system in place for the previous three election cycles in Maine and Arizona. In those states, candidates who raise a qualifying threshold of five-dollar contributions receive a fixed sum of public funds for their primary and general election campaigns. In return, the candidates agree to accept no additional private contributions and to abide by a campaign spending limit. If a candidate is outspent by a privately financed opponent, he or she receives public matching funds to maintain a financially level playing field. Similarly, Clean candidates are allocated additional public financing if they are attacked by independent expenditure campaigns. Use of the system is voluntary, which makes it consistent with federal court rulings on campaign financing.

In both Maine and Arizona, the number of candidates tapping into public funds has risen in every election season. Ten of the eleven statewide elected officials in Arizona, including Gov. Janet Napolitano, ran under the system, as did nearly 80 percent of Maine state lawmakers.

Reformers' Efforts Stretched Back a Decade

Reform supporters in Connecticut had long pursued publicly financed elections. More than a decade before, in 1993, they formed a campaign finance working group that included the state chapters of Common Cause and the League of Women Voters (LWV), as well as the state's largest citizens' advocacy organization, the CCAG. That year, the coalition first fashioned a Clean-type proposal and was able to bring its measure to a floor vote in the house

chamber of the state General Assembly in 1994, although it failed. In 2000, after several more years of steady lobbying, the working group succeeded in placing on then-Governor Rowland's desk a full public financing proposal that included all six statewide elected offices, but not state house and senate seats. Reformers had dropped full public financing for the legislature from the proposal some years before to gain the votes of lawmakers reluctant to support a proposal that would give their potential opponents significant campaign funding. With the cost of running for governor growing substantially every four years, money was a significantly more apparent barrier to entry for would-be gubernatorial candidates than for aspirants to any other office. Rowland vetoed the bill. In his next election, in 2002, he took full advantage of his incumbency, outraising his opponent, former state comptroller Bill Curry, \$6.0 million to \$2.3 million.

During the course of the legislative advocacy campaigns for public financing through the years, the policy gained a broad roster of supporters. Constituency and issue-based organizations were well represented in these ranks. Connecticut's top labor leaders, including heads of the state AFL-CIO, United Auto Workers, American Federation of Teachers, and Service Employees International Union, all testified at legislative hearings in favor of public financing. In 2000, a coalition of the state's top environmental organizations, including the Sierra Club and Public Interest Research Group chapters, declared public financing the most important environmental measure at the state capitol. Support also came from the Connecticut branches of the National Association for the Advancement of Colored People and National Organization for Women, human services organizations, youth groups, and low-income organizations. Newspaper editorial boards, particularly at the *Hartford Courant* and *New London Day*, vigorously opined in favor of the policy. At the state capitol in Hartford, a strong majority of Democrats supported the public financing measure for statewide offices, along with a small but

steadfast group of Republican lawmakers. Notably, five Democrats holding statewide positions supported the Clean-style policy, as did the Democratic members of the state's congressional delegation.

A New Political Context

Early in 2004, with Rowland and his administration reeling from mounting allegations of corruption, state reformers again pushed hard for reform. They hoped Rowland, weakened by allegations of pay-to-play state contracting arrangements, would be forced to sign a public financing measure if it came to his desk. But there was not enough support, and the bill languished. In late June, after the close of the legislative session, Rowland resigned.

It was in this context that Rell's interest in reform and her openness to considering a variety of solutions represented an important possibility: that the state's top Republican leader might be an ally rather than an opponent. During the fall of 2004, state reformers laid the groundwork for an extensive campaign to win their long-sought goal in 2005. The national groups Common Cause and Public Campaign joined them in strategizing.

Once the November 2004 elections results were in, the news was all good for reformers. In the state senate, Democrats increased their majority from twenty-one to twenty-four in the thirty-six-member upper chamber. Headlining the losses for Republicans was the upset defeat of Sen. William Aniskovich, the GOP's deputy minority leader, widely considered a rising star in his party. He was beaten by Ed Meyer, a relative newcomer to Connecticut politics who ran with reform as a key issue and as an adamant supporter of public financing. His campaign manager was Tom Swan, longtime leader of the twenty-thousand-member CCAG. Democrats also expanded their numbers in house races, winning 99 seats out of 151. Many of the new representatives supported public financing and replaced incumbents who were opposed to it. In December, house Democrats elected new leaders. For-

mer majority leader Rep. James Amann, a centrist Democrat, became the Democrats' choice for house speaker, while Rep. Chris Donovan succeeded Amann as majority leader. Donovan, a leader among house progressives, was a former CCAG grassroots organizer who held a day job as a staffer for the union representing workers at state community colleges. Their choice to be the new house co-chair of the legislative committee with jurisdiction over reform was a fiery advocate for public financing, Rep. Chris Caruso.

On January 5, 2005, Governor Rell delivered her first state of the state address at the legislature's opening session and called for the General Assembly to fast-track ethics and elections reform. Days later, she introduced her own proposals, including a ban on lobbyist and state contractor campaign contributions, a general lowering of existing campaign contribution limits, and a state income tax deduction of up to \$100 for political donations made to candidates agreeing to voluntary campaign spending limits. As Rell took initiative, Democrats in the house and senate worked with reformers on separate public financing proposals, building on the measure vetoed by ex-Governor Rowland but incorporating some of the new governor's recommendations. As the weeks went by, the Democratic proposals moved slowly through the committee process without reconciliation between reform supporters in the house and senate.

The Clean Up Connecticut coalition focused on a broad grassroots effort outside the capitol even as they lobbied on the inside for the governor and majority Democrats to come together behind a measure all could support. With assistance from allies at the national level, state reformers mounted their most vigorous campaign to date. After steady lobbying on the bill for years, the advocates had a clear map of who opposed reform, who supported it, and who might vote either way. Clean Up Connecticut focused first on undecided lawmakers. An intensive effort in their districts included ads in local newspa-

pers, radio buys, and phone banking to grassroots supporters urging them to contact their lawmakers. During this period, additional radio and cable television ads that were targeted to a more politically interested audience ran statewide at timely moments. Connecticut Common Cause issued several research reports documenting the influence of campaign contributions at the state capitol and led a series of presentations to editorial boards at the state's leading daily newspapers. Reformers also released a poll showing strong public support for publicly financed elections.

As grassroots pressure increased, advocates continued to labor on a parallel track behind the scenes at the state capitol to forge agreement on a measure that Democrats in both the house and the senate would vote for and the Republican governor would sign. With twice as many Democrats as Republicans elected to the General Assembly, and little historical support for public financing from GOP lawmakers, Democratic votes were essential for passage of the measure. However, with a small but consistent minority bloc of Democrats opposing reform, there would be little chance to override a veto by Governor Rell.

As Democrats slowly constructed their own package of reforms, the governor chided them for lack of progress but kept the door open for her approval of a consensus set of reform measures. By late May, with only days left until the General Assembly's adjournment in early June, continuing divisions between house and senate Democrats threatened to kill hopes for reform in 2005.

Then, on June 2, the governor made a dramatic move that reenergized the debate. She announced that she would support a public financing measure, but only if it provided public funds for legislative seats as well as statewide office and also banned lobbyist and state contractor contributions. Reformers applauded her action, noting that her proposal, if adopted, would establish the strongest public cam-

paign finance system in the nation. From Washington, D.C., Arizona Sen. John McCain, the nation's most prominent reformer, weighed in, saluting her position. GOP lawmakers, despite their vigorous opposition to public financing in the past, stood behind their governor. Democratic leaders, balking at first, soon agreed to her framework as well.

But time was too short. Despite their public positioning in favor of publicly financed elections, the Democratic rank-and-file had seriously considered only measures that applied to offices other than their own. With a proposal now on the table that would radically change the conduct of their own campaigns, legislators began to pore over the details of public financing with the clear understanding that what they passed in the General Assembly would most likely become law. During the ensuing week, the governor and legislative leaders hurriedly pressed forward to flesh out the details of a public financing measure while simultaneously rallying the votes required for passage. In the end, two measures tailored to the governor's outline emerged and passed, one in the house and one in the senate. With no time to reconcile conflicting details in the bills, the legislative session adjourned on June 8 with political leaders pointing their fingers at each other for their collective failure to enact significant campaign finance reform. Senate leader Williams stood alone in calling for a special legislative session to come to a consensus on reform.

Reformers rallied. Shortly after the legislature's adjournment, they ran an ad in the *Hartford Courant* featuring a giant photo of a pig and accusing lawmakers of putting special interest pork ahead of citizens' needs in the state bond package. Advocates also presented new public polling data demonstrating strong public support for a special session to pass reform.

The events of the spring taught them a key strategic lesson: the combination of a corruption-ridden political environment and pressure from the grassroots

had created a setting in which the governor and Democratic legislative leaders all wanted to be seen as strong advocates for reform. The governor's strong public initiatives in favor of reform separated her from Rowland's tarnished legacy and, in less than a year, helped make her the most popular politician in the state. The Democrats, despite their history of support for public financing, risked being seen as an obstacle to change. Reform leaders successfully defined public financing as the best way to make sweeping changes in the pay-to-play political system. On the legislature's adjournment, reformers sent a clear public and private message to Governor Rell, Senate Pres. Don Williams, and House Speaker James Amann: no political figure could be considered a successful advocate of reform until a measure passed. Although Rell staked out a tough stance as the state's top reformer, she risked being seen as ineffective if her leadership produced no change. Putting additional pressure on the Democrats to reform was the emergence of a new scandal: a corruption investigation focused on a veteran Democratic legislator, State Sen. Ernie Newton.

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Two weeks after the lawmakers adjourned, and following steady agitation from reformers, Rell called for a summertime legislative working group that would develop a compromise between the two bills that emerged at the end of the session. Legislative leaders agreed to the bipartisan working group and convened a series of meetings over the summer, with the understanding that there would be a special legislative session called once the working group achieved common ground. As summer turned to fall, the working group produced a final report that resolved many of the differences between the senate and house proposals but left several issues unresolved, among them phase-in dates for the legisla-

tion and a funding source for the bill. The reform coalition again raised a grassroots outcry for political leaders to resolve the issue.

On October 11, Governor Rell ordered the legislature into a special session, calling for “swift and bold” action. Legislators came to Hartford but gaveled in and out of session quickly, indicating they were not yet ready to move forward with a consensus vehicle, though they expected to be able to do so within a matter of weeks. In November, led by CCAG and Connecticut Common Cause, the Clean Up Connecticut campaign ratcheted up citizen pressure once again. The senate leadership had sent signals that a majority of members were ready to support a reform that included public financing for their own offices. So the reformers focused on Speaker Amann, who was expressing doubts about being able to move a bill through his chamber.

Meanwhile, scandal reared again, helping reformers along. There were media reports suggesting that Speaker Amann had used his political influence to raise money from capitol lobbyists for a charitable organization that employed him as a fundraiser. After a series of behind-the-scenes meetings, in November Amann agreed to put the weight of his office behind a final lobbying push within his own caucus; he authorized House Majority Leader Chris Donovan to negotiate a final bill with senate leadership and work with a whip team to assemble the needed seventy-six votes.

With the governor and legislative leadership all firmly committed to passage of a bill, Democratic leaders called a new special session, aiming to take up—and pass—campaign finance reform on November 30. After lengthy debate in the house and senate, and after skillfully navigating a series of amendments designed to split proponents of the bill and kill the measure, the lawmakers enacted the groundbreaking bill in the predawn hours of December 1.

Clean Elections Transplanted to Connecticut

Much like the Maine and Arizona Clean Elections system, the law they passed provides full public financing in primary and general elections to candidates for all state offices. Candidates qualify for the public financing by gathering a threshold sum of smaller contributions and agreeing to no longer take private funding. To run for governor, for example, a major party candidate must raise \$250,000 in contributions of no more than \$100. That candidate then receives a \$1.25 million grant for the gubernatorial primary and an additional \$3 million if he or she continues to the general election. The candidate is eligible for additional matching funds of up to twice the public grant to keep pace with any privately funded candidate who outspends, or to deal with independent expenditures that target the candidate.

In addition, the measure completely bans political contributions from registered lobbyists and contractors doing business with the state. It also places new restrictions on political action committees and closes a major loophole that allowed corporate entities to make direct contributions to candidates outside of the existing campaign giving limits. The law takes effect immediately following the November 2006 elections, establishing the option of public financing in 2008 for legislative contests and in 2010 for statewide races. Critics of the bill maintain that the measure puts an unreasonably high qualifying threshold on minority party candidates seeking public funds and allows a loophole enabling legislative and party leaders to make major undisclosed in-kind contributions to favored candidates. Lawmakers have agreed to reexamine the provisions of the law during the 2006 legislative session.

Connecticut is the first state to enact such an extensive combination of public financing and contribution restrictions, but it is not the only state in which there are serious concerns about the influence of vested-interest money on the governing process or the barriers to entry into the political process that

high-cost campaigns create for people with little access to wealth. Nor is it the only place where money-in-politics scandals plague the daily news. Thus lessons that can be drawn from the Connecticut saga may apply to reform battles in other states, and certainly in Washington, D.C.

Lessons Learned

Setting a high bar early on, Connecticut reform coalition members were well positioned as *trusted arbiters of what constituted genuine reform*. By establishing a high bar—full public financing—more than a decade earlier and then staying united in sticking to it through the years, reformers made it impossible for politicians to credibly advocate incremental remedies as a solution to the larger problem of special-interest money in politics. When Rell first announced her support for eliminating lobbyist and state vendor campaign donations, reformers were able to insist that her proposals alone would not address the underlying core issues of vested-interest money. Similarly, as legislators raised alternatives to Clean Money-style public financing, such as a plan that would trigger matching public funds for a privately financed candidate if an opponent exceeded a predetermined spending threshold, reformers were able to prevent such a lesser vehicle from moving forward. Repeatedly during the lengthy campaign, reporters and editorial boards relied on reform leaders to assess which of the politicians were moving reform forward and which were standing in its way. Given the low level of trust the citizens of Connecticut placed in their political establishment after years of corruption, the voice and judgment of state groups such as Common Cause, CCAG, and LWV carried additional weight in the public debate.

Reformers had the capacity to both *work behind the scenes* at the capitol and to *wield potent citizen pressure from the outside*. The two top strategists for the campaign, CCAG head Tom Swan and Connecticut Common Cause Chair Karen Hobert-Flynn, had years of experience in both grassroots organizing in Connecticut and lobbying in Hart-

ford. Swan added a set of political relationships built through his organization's considerable involvement in the campaigns of many of reform's top proponents at the capitol. CCAG's adversaries on issues respected its ability to be a powerful force on Election Day, backing up grassroots lobbying with political action. Hobert-Flynn, who had been at the helm of all of Common Cause's winning battles at the legislature for nearly a decade, was a skilled coalition organizer and commanded respect as the most astute analyst of campaign finance policy under the capitol dome. By working together with their closest legislative allies, Hobert-Flynn and Swan could draw up detailed lobbying strategies in Hartford that played out in citizen mobilization across the state.

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The reform coalition was broad, extending far beyond the usual suspects in “good government” groups. Because the coalition was broad, it enjoyed expanded reach at the capitol, where environmental, labor, and human service lobbyists (all outgunned by corporate lobbyists on the campaign money front) could assist with particular lawmakers they knew well. Working through national Common Cause and Public Campaign, Connecticut reformers were able to tap into a supportive network of nearly twenty national organizations. They were able to bring in publicly financed lawmakers who had run as Clean Elections candidates from Maine and Arizona to testify before the Connecticut legislature, place a series of op-eds by national reform leaders in state papers, and bring in leading constitutional scholars to assist policymakers in designing reforms. At the grassroots level, the Clean Up coalition had access to the tens of thousands of the coalition's fifty-plus state organizations. As the battle continued past the close of the General As-

sembly's regular session, there were few other legislative issues left for the issue and constituency group members to lobby on, moving reform up as a priority on their agenda as the fight drew to a close. Through its national allies, the state coalition was able to generate support e-mails from MoveOn.org and other online groups with tens of thousands of members in the state. The leveraging of resources beyond the institutional boundaries of the core state reform organizations was simply an essential component of the long campaign.

In Connecticut, *the reform community aimed high* for more than a decade before widespread corruption presented an opening to win. Reformers' political leverage, earned during election campaigns as well as through extensive coalition building, was essential. In combination with the groups' ability to mobilize grassroots pressure, this gave them an

added advantage as they persuaded the state's elected leadership to back reform.

There are many paths to winning campaign finance legislation, and each new reform battle must certainly be fought on its own particular terrain. But the scope of change implicit in adopting a publicly financed elections system, especially when incumbent lawmakers are asked to level the playing field for their opponents, forces reform advocates to mount an extraordinarily strong campaign. Connecticut has shown us that it can be done. As the cost of an election campaign increases at the municipal, state, and national levels, and pay-to-play corruption scandals abound, that's good news.

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