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STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION
235 SOUTH BERETANIA STREET, SUITE 300
HONOLULU, HAWAII 96813

March 12, 2012

TO: The Honorable Gilbert S. C. Keith-Agaran, Chair
House Committee on Judiciary

The Honorable Karl Rhoads, Vice Chair
House Committee on Judiciary

Members of the House Committee on Judiciary

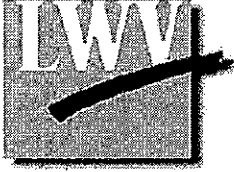
FROM: Kristin Izumi-Nitao, Executive Director *kei*
Campaign Spending Commission

SUBJECT: **Testimony on S.B. No. 2648, Relating to Campaign Finance**

Thursday, March 15, 2012
2:00 p.m., Conference Room 325

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") takes no position on this bill.

This bill amends Hawaii Revised Statutes ("HRS") §11-381 to allow candidates to use campaign funds to award scholarships to students attending an institution of higher education or vocational education school full time. The bill applies the same amount and temporal limitations on the use of campaign funds for charitable donations and donations to any public school or public library to the use of campaign funds for scholarships. Ideally, campaign funds should only be used for campaign purposes. However, since HRS §11-381(4) already allows donations of campaign funds to public schools, and the Commission has learned that donations of campaign funds to schools are being used to fund scholarships for students, the Commission takes no position on this bill.



THE LEAGUE OF WOMEN VOTERS OF HAWAII

TESTIMONY ON SB 2648 RELATING TO CAMPAIGN FINANCE

Committee on Judiciary
Rep. Gilbert S.C. Keith-Agaran, Chair
Rep. Karl Rhoads, Vice Chair
Thursday, March 15, 2012 2:00 p.m.
Conference Room 325

Chair Keith-Agaran, Vice Chair Rhoads, members of the Committee on Judiciary,

The League of Women Voters opposes SB 2648 which would add another use for surplus campaign funds.

Awarding of scholarships to students attending institutions of higher education is highly commendable. Our objection is to the use of campaign funds for these awards. The legitimate use of campaign funds should be to provide communications with the public through media advertisements, mailings listing the candidates qualifications and issue positions, making signs, rallies and meetings, buying tee shirts for active supporters, car expenses, office rent, paid staff, etc.

At one time, candidates could give unlimited amounts to community organizations. Many good government groups opposed the unlimited amounts because of concerns over unfair advantages enjoyed by a few. Few incumbents attract the kind of contributions that result in large surpluses. Challengers would also not have the benefit of having distributed donations to community groups which might earn them their support

Some years ago, these donations were capped at the maximum amount that citizens could give to candidates; \$2,000 for the House, \$4000 for the Senate, and \$6,000 for statewide seats We all applauded the change. However, in recent years, the amounts that could be donated to charitable organizations have been increased, doubled and quadrupled in some cases. This bill adds another cause to which donations from campaign funds can be made.

Donations of surplus campaign funds is easily construed as a form of vote buying. When a candidate donates instruments to a school band in his district, the favorable publicity buys him/her a lot of good will and gratitude which s/he presumably expects will sway voters in his/her favor.

Another negative impact is the need to raise more campaign funds as the cost of campaigning rises with the charitable contributions in addition to the legitimate campaign costs rising with inflation. We doubt that many legislators relish the soliciting of campaign contributions, but when groups that have become dependent on your generosity count on you to add to their budgets, how can you refuse?

The League of Women Voters has as its motto, "Making Democracy Work." Every policy, like keeping our elections fair, adds to the direction we take toward or away from this goal.

We urge you to hold SB 2648.
Jean Y. Aoki, LWV Legislative Committee member



SB 2648
RELATING TO CAMPAIGN FINANCE
House Committee on Judiciary

March 15, 2012

2:00 pm

Room 325

The Office of Hawaiian Affairs (OHA) offers the following comments on SB 2648, which would authorize campaign funds to be used to award scholarships to students attending an institution of higher education or vocational education school full time in a program leading to a degree, certificate, or other recognized educational credential. There is a high demand for--but limited pool of--financial aid, and this measure will make more resources available to students in tough economic times.

OHA supports this authorization because it will make available much needed funds for scholarships. Over 3,000 Native Hawaiian students apply for OHA's higher education scholarships each year through Hawai'i Community Foundation, but we can only meet a portion of that demand. OHA is interested in helping as many students as possible achieve post-secondary degrees, as we recognize the correlation between these degrees to higher paying careers. Increasing the availability of funding for students is a crucial part of that process.

Mahalo for the opportunity to testify on this important measure.



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March 14, 2012

TO: Chair Gilbert Keith-Agaran and Members of the Judiciary Committee

FROM: Barbara Polk, Legislative Chair, Americans for Democratic Action/Hawaii

RE: Opposition to ^{SB 2648}~~SB 2648~~ Relating to Campaign Finance

Americans for Democratic Action/Hawaii opposes this bill. We tend to think of it, as well as other similar bills that have been introduced or passed in previous legislative sessions, as the "Incumbent Advantage Bill." While couched in terms of a public benefit, in this case, providing scholarships for students, in fact it provides an opportunity for incumbents, who are generally the ones with excess campaign funds, to "seed the community," that is, to appear to be community benefactors when, in fact, they are not spending their own money but are taking advantage of their position to appear to be doing so. Candidates already have the option of giving money from their campaign funds for a variety of purposes. This bill would simply enlarge the incumbent advantage that legislators have already provided for themselves.

It's a shame that we have a system that allows elected officials to pass laws that tilt the playing field in their favor. It's even more of a shame that so many of our legislators are eager to do so.

We urge this committee to defeat SB~~26~~48.



House JUD Committee
Chair Gilbert Keith-Agaran, Vice Chair Karl Rhoads

Thursday 3/15/12 at 2:00PM in Room 325
SB2648 – Campaign Finance

TESTIMONY
Nikki Love, Executive Director, Common Cause Hawaii

Chair Keith-Agaran, Vice Chair Rhoads, and Committee Members:

Common Cause Hawaii opposes SB2648. This bill allows campaign funds to be used for giving scholarships to students.

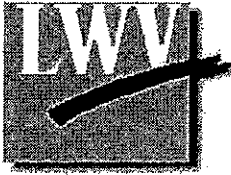
We believe that this is not an appropriate use of campaign funds. These scholarships would be susceptible to the perception that they are given in order to create a sense of obligation to the candidate, or to reward individuals or families who may have supported the candidate in the past.

This bill also creates another avenue for incumbents with large campaign accounts to bolster their advantage over potential challengers, further diminishing competition and choice for the voters.

If candidates frequently find themselves with excess funds, perhaps that should be addressed by lowering contribution limits.

Or, if the goal is to address the high cost of higher education, we would encourage legislators to address that problem directly through a more comprehensive policy solution that reaches all students who truly need it.

Mahalo for the opportunity to submit testimony.



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Jean Y. Aoki, LWV Legislative Committee member

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