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**STATE OF HAWAII**  
**CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300  
HONOLULU, HAWAII 96813

February 5, 2015

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

The Honorable Maile S.L. Shimabukuro, Vice Chair  
Senate Committee on Judiciary and Labor

Members of the Senate Committee on Judiciary and Labor

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

SUBJECT: **Testimony on S.B. No. 363, Relating to Partial Public Financing**

Friday, February 6, 2015  
9:15 a.m., Conference Room 016

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") supports this bill provided that the Legislature appropriates funds to pay for the increase in public funding available to candidates if the bill is adopted.

Section 2 of the bill amends Hawaii Revised Statutes ("HRS") §11-425(a) by increasing the maximum amount of public funds available to candidates for the offices of the Governor, the Lieutenant Governor, and the Mayor, from 10% of the applicable expenditure limit to 50% of the expenditure limit. Section 3 of the bill amends HRS §11-429(b) by increasing the matching public funds available to publicly funded candidates from \$1 to \$2 for each \$1 of each qualifying contribution in excess of the minimum qualifying amounts. For qualifying contributions up to the minimum qualifying amounts, the match remains one-to-one.

If the amendments in this bill were in effect in 2014, the maximum public funds available to candidates in the Governor's race would have increased from \$159,721 to \$798,603.75 per election (i.e., \$798,603.75 for the primary election and \$798,603.75 for the general election). For candidates in the Lieutenant Governor's race, the available funds would have increased from \$89,444 to \$447,218.10 per election. For candidates in the Maui County Mayor's race, the available funds would have increased from \$15,248 to \$76,240 per election. For candidates in the Kauai County Mayor's race, the available funds would have increased from \$7,445 to \$37,227 per election. Notably, there would have been insufficient funds in the Hawaii Election Campaign Fund to award such amounts. Further, to illustrate the effect on one candidate of the two-to-one match if that amendment had been in effect, Governor Ige would have received \$110,329.46 instead of \$105,164.73 in the general election.



House Judiciary Committee  
Chair Gilbert Keith-Agaran, Vice Chair Maile Shimabukuro

Friday 02/06/2015 at 9:15 AM in Room 016  
SB363 Relating to Partial Public Funding

TESTIMONY OF SUPPORT  
Carmille Lim, Executive Director, Common Cause Hawaii

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Dear Chair Keith-Agaran, Vice Chair Shimabukuro and members of the Senate Judiciary and Labor Committee:

**Common Cause Hawaii supports SB363**, which would adjust the partial public funding program by:

- 1) Increasing the maximum amount of public funds made available to candidates running for governor, lieutenant governor, or mayor cannot exceed 50% of the established expenditure limit for each election (it is currently at 15%)
- 2) Increase the matching contribution amount from the state from \$1 for each \$1 of qualifying contributions to \$2 for each \$1 of qualifying contributions in excess of the minimum qualifying contribution amounts.

Partial Public Financing is a program that was developed in Hawaii's 1978 Constitution Convention as a response to concern of large sums of special interest money influencing our elections, Partial Public Funding was created to allow candidates running for elective office to be awarded a competitive amount of money by the state to run a competitive campaign. In order to qualify for partial public financing, the candidate must raise small amounts of money, which the state will then match. Candidates who qualify and are awarded partial public funding could not accept large sums of contributions from special interests. By taking part in the partial public financing program, candidates could spend less time fund raising, and more time on policy.

Since then, the formula used to determine how much money is awarded to candidates has become antiquated and is no longer considered "competitive." The formula needs to be adjusted so that the amount of awarded money can be attractive to candidates. Hawaii has lagged behind in other states in updating their program. Other states have already increased their expenditure limit, but ours remains at 10-15%.

#### AMENDMENTS

While we support this bill, we ask the following amendments be made:

- 1) We would like to see this program expanded to include races for council seats, states senate, and state house.
- 2) We suggest amending Sec. 3 to **clarify** that a \$2 to \$1 match should be given for all qualifying contributions (subject to the candidate receiving the minimum amount, and also subject to the maximum limit.). Similarly, we ask that the bill preamble also be amended to reflect this change.

There is a minimum amount in qualifying contributions that the candidate must receive in order to be entitled to any money from the program. As it currently reads, a candidate has to raise a minimum amount to qualify, and the bill would match that initial amount 1/1 with public funds, then further qualifying contributions would be matched 2/1. Our idea in crafting this bill was that all qualifying contributions should be matched 2/1, including the ones necessary to reach the minimum qualifying amount, which is what our amendment will achieve. Again, this is not an objection to this bill; it's a technical glitch.

**We have enclosed a redraft of Sec. 3 of SB363 for the Committee's consideration** (see page 3 of this testimony).

Thank you for the opportunity to testify in support of SB363.

## AMENDMENTS TO SB363

These are the amendments to SB363 that will provide a 2/1 public match for all qualifying contributions. This is still subject to the requirement that the candidate obtain the minimum amount of qualifying contributions, and to the maximum limit of public funding.

### **Amend Sec. 3 of each bill to read as follows:**

SECTION 3. Section 11-429, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) A candidate shall obtain the minimum qualifying contribution amount set forth in subsection (a) once for the election period.

(1) If the candidate obtains the minimum qualifying contribution amount, the candidate is eligible to receive:

(A) The minimum payment in an amount equal to twice the minimum qualifying contribution amounts; and

(B) Payments of [~~\$1~~] \$2 for each \$1 of qualifying contributions in excess of the minimum qualifying contribution amounts; and

(2) A candidate shall have at least one other qualified candidate as an opponent for the primary or general election to receive public funds for that election.”

(This is ramseyered from current HRS).

### **The introduction to each bill should also be changed as follows:**

Eliminate the phrase “in excess of the minimum qualifying contribution amounts” on p. 1, line 10-11 of SB363 and p. 2, line 20 to p. 3, line 1 of SB602.

The bill description, which is not actually part of the proposed law, will also be slightly inaccurate if this change is made because it also appears to limit the 2/1 match to contributions in excess of the minimum qualifying contribution amounts.



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COMMITTEE ON JUDICIARY AND LABOR

FRIDAY, FEB. 6, 2015, 9:15 A.M., CONFERENCE ROOM 016  
SB363 Relating to Partial Public Financing

TESTIMONY

Beppie Shapiro, League of Women Voters of Hawaii

Chair KEITH-AGARAN, Vice-Chair Shimabukuro, and Committee Members:

**The League of Women Voters of Hawaii support SB363. This measure makes two badly needed improvements to the Partial Public Financing program: it increases the maximum public funds available to a candidate for Governor, Lt. Governor, or Mayor; and increases the matching contribution amount.**

The League of Women Voters, both nationally and in Hawai`i, has long recognized the importance of reining in the reliance of political election campaigns on major contributions from private organizations and a small number of wealthy individuals. A large share of the general public has become concerned about this problem following the SCOTUS decision in Citizens United. Ensuring the effective operation of Hawai`i's partial public funding program is to date the best antidote to these potential sources of influence on state candidates and their positions.

However the amounts a candidate can get by qualifying for partial public financing have fallen below those generally needed to run a competitive campaign. SB363 would improve the viability of the Partial Public Financing program. We anticipate that if this measure becomes law, more candidates will choose to participate in the program as it will offer a realistic amount of funding. Such candidates will benefit by not bearing the burden of "chasing big dollars" throughout their campaigns and indeed throughout their terms of office. The citizens of Hawaii will benefit by the assurance that their elected officials are not beholden to any few organizations or individuals.

We urge you to pass this bill. Thank you for the opportunity to submit testimony.

Please note we regret that no representative of LWVHI is available to attend this hearing.

THE LIBERTARIAN PARTY OF HAWAII  
C/O 1658 LIHOLIHO ST #205  
HONOLULU, HI 96822

**TESTIMONY**

February 4, 2014

RE: **SB 363** to be heard Friday February 6, 2015 in Conference Room 016

To the members of the Senate Committees on Judiciary and Labor

**SUPPORT**

The Libertarian Party strongly supports the intent of this bill but opposes the use of the general fund to finance it. We suggest the creation of a voluntary fund using Hawaii's income tax filing system for solicitation and payment. Many states now use voluntary taxation to fund various pet projects. Such a fund here would raise far more money than the existing check off system. It would allow the financing of campaigns with public money without the need for advances down from the general fund. Instead of having tax payers check a box to direct a small amount of general fund money to the campaign spending program they could now choose to contribute any amount they wanted by adding that amount to their balance due or subtracting it from their refund. For example if I wanted to contribute \$1000 and I had a refund balance of \$900 I could direct my refund to the CSC and send an additional \$100 check with my return.

I have discussed this with the Campaign Spending Commission who seem genuinely interested.

Tracy Ryan  
Chair

To: Senator Keith-Agaran, Chair  
Senate Judiciary and Labor Committee  
Re: SB363 Campaign Spending, Partial Public Financing, Expenditure Limits,  
Matching Qualifying Contributions, Hawaii Campaign Fund, Appropriation  
Hearing: February 6, 2015 9:15 a.m. Conference Room 016

Chairman Keith-Agaran and Members of the Committee:

I am speaking for myself in strong support of SB363.

As a person who worked for establishment of the pilot comprehensive public funding program on the Big Island, I am convinced of the success public campaign financing can have in building public trust in the election process. The pilot program allowed serious candidates without money or wealthy contacts to emerge. It also permitted incumbents running for re-election to spend time talking to voters rather than raising money. Both candidates and voters were happy with the process.

At a time when campaigns have become an arena of large donations and influence, alienating voters from the entire process, SB363 takes steps to provide another avenue. It restores the balance intended by 1978 Constitutional Convention. That Convention provided a means by which candidates could run competitively without accepting large donations from special interests. Such a program is even more important today than it was then.

It raises matching funds to 50% of the maximum expenditure limit (which is in line with what a number of other states have done.) It would also raise the ratio of public funds to private contributions to 2/1, staying within the legal dollar amount of private funds that can be accepted. This encourages donations from people who give small amounts.

After having worked on the Hawaii County program, which covered only council races, I am sure the changes described in this bill would prove effective at all state levels, including state house and senate as well as county councils. I would strongly support an amendment to cover those races.

Thank you for considering my testimony. I feel greatly discouraged sometimes by the paths that campaigning has taken across the country. At the same time, I know our state can take real steps to offset those influences. Please vote for SB363.

Susan Dursin  
Captain Cook 

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [JDLTestimony](#)  
**Cc:** [REDACTED]  
**Subject:** Submitted testimony for SB363 on Feb 6, 2015 09:15AM  
**Date:** Wednesday, February 04, 2015 2:20:12 PM

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**SB363**

Submitted on: 2/4/2015

Testimony for JDL on Feb 6, 2015 09:15AM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
christine trecker	Individual	Support	No

Comments: Public campaign financing is a critical step toward restoring voter trust in elections and government. That's why we need to ensure that any Hawaii public campaign financing program - whether it be a comprehensive or partial funding program – be well designed, adequately funded and attractive to candidates. SB363 helps strengthen Hawaii's partial public financing program. Please support it.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [JDLTestimony](#)  
**Cc:** [REDACTED]  
**Subject:** \*Submitted testimony for SB363 on Feb 6, 2015 09:15AM\*  
**Date:** Wednesday, February 04, 2015 2:38:45 PM

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**SB363**

Submitted on: 2/4/2015

Testimony for JDL on Feb 6, 2015 09:15AM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Polk	Individual	Support	No

Comments:

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