

LATE

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

February 4, 2019

TO: The Honorable Karl Rhoads, Chair
Senate Committee on Judiciary

The Honorable Glenn Wakai, Vice Chair
Senate Committee on Judiciary

Members of the Senate Committee on Judiciary

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

SUBJECT: **Testimony on S.B. No. 640, Relating to Publicly Funded Elections**

Tuesday, February 5, 2019
9:00 a.m., Conference Room 016

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") provides the following comments on this bill. The purpose of this measure is to increase the amount of public funding for candidates seeking election to an office where there is no incumbent. The measure attempts to do so by increasing:

1. The expenditure limit to 140% of the median expenditures received by non-publicly financed candidates in the respective voting district in the last preceding election;
2. The maximum amount of public funds available to a participating candidate;
3. The maximum amount of qualifying contributions from \$100 to \$200 per contributor; and
4. The matching contribution amount from the State to \$2 for each \$1 received.

The Commission identified ten offices that for certain will not have an incumbent in the 2020 elections due to term limits. These offices are:

1. Honolulu Mayor;
2. Honolulu City Council-District 1;
3. Honolulu City Council-District 3;
4. Honolulu City Council-District 5;
5. Honolulu City Council-District 7;

6. Honolulu City Council-District 9;
7. Hawaii County Council-District 1;
8. Hawaii County Council-District 8;
9. Maui County Council (Lanai); and
10. Kauai Council Council-1 seat.

If this bill is in effect for the 2020 elections, using the equations in Section 1 and Section 2 of the bill, the Commission determined that the expenditure limits and the maximum amount of public funds available would have an inconsistent effect among the ten offices. In the last election, the expenditure limit in the primary election and the general election for the office of the Honolulu Mayor was \$958,364. Under this bill, the expenditure limit for the office would fall from \$958,364 to \$598 per election, a 99.94% reduction in the expenditure limit. Similarly, the maximum amount of public funds available would fall from \$95,836 to \$120, a 99.88% reduction. However, under the bill the Honolulu City Council-District 1, Hawaii County Council-District 1 and District 8, the Maui County Council seat (Lanai) and the Kauai County Council seat also had reductions, although not as drastic as the Mayor's office, in the expenditure limits and maximum amount of public funds available.¹ Districts 5, 7, and 9 of the Honolulu City Council had small reductions in the expenditure limits but significantly higher amounts in the maximum amount of public funds available. Finally, District 1 of the Honolulu City Council is the only office of the ten that an increase in the expenditure limit and maximum amount of public funds available. See Attachment A.

¹ Voting for County Council Offices on Maui and Kauai is county-wide. Thus, the Commission considered the "voting district" to include all registered voters and all candidates who ran in the general election when calculating the expenditure limit and maximum amount of public funds available to candidates under the equations provided in Sections 1 and 2 of the bill. Also it is unclear whether elections for the Maui and Kauai County Councils could ever have no incumbents running since elections are county-wide.

SB640 Analysis

Office	2018 Gen.	HRS	Primary	General	HRS \$11:	Primary	General	SB640	Primary	General	SB640	Primary	General	% Lmt. Change	\$ Lmt. Change	% Max. Change	\$ Max. Change
	RV	\$11-423	Lmt.	Lmt.	425	Max.	Max.		Lmt.	Lmt.		Lmt.	Max.	Max.	(Per Election)	(Per Election)	(Per Election)
Governor	712,765	\$2.50	\$1,781,913	\$1,781,913	10%	\$178,191	\$178,191	\$2.50	\$1,781,913	\$1,781,913	10%	\$178,191	\$178,191	NC	NC	NC	NC
Lt. Governor	712,765	\$1.40	\$997,871	\$997,871	10%	\$99,787	\$99,787	\$1.40	\$997,871	\$997,871	10%	\$99,787	\$99,787	NC	NC	NC	NC
Mayor																	
Honolulu	479,182	\$2.00	\$958,364	\$958,364	10%	\$95,836	\$95,836	N/A	\$598	\$598	20%	\$120	\$120	-99.94%	-\$957,766	-99.88%	-\$95,717
Hawaii	105,294	\$2.00	\$210,588	\$210,588	10%	\$21,059	\$21,059	\$2.00	\$210,588	\$210,588	10%	\$21,059	\$21,059	NC	NC	NC	NC
Maui	88,054	\$2.00	\$176,108	\$176,108	10%	\$17,611	\$17,611	\$2.00	\$176,108	\$176,108	10%	\$17,611	\$17,611	NC	NC	NC	NC
Kauai	40,235	\$2.00	\$80,470	\$80,470	10%	\$8,047	\$8,047	\$2.00	\$80,470	\$80,470	10%	\$8,047	\$8,047	NC	NC	NC	NC
Pros. Atty																	
Honolulu	479,182	\$1.40	\$670,855	\$670,855	15%	\$100,628	\$100,628	\$1.40	\$670,855	\$670,855	15%	\$100,628	\$100,628	NC	NC	NC	NC
Hawaii	105,294	\$1.40	\$147,412	\$147,412	15%	\$22,112	\$22,112	\$1.40	\$147,412	\$147,412	15%	\$22,112	\$22,112	NC	NC	NC	NC
Kauai	40,235	\$1.40	\$56,329	\$56,329	15%	\$8,449	\$8,449	\$1.40	\$56,329	\$56,329	15%	\$8,449	\$8,449	NC	NC	NC	NC
County Council																	
Honolulu																	
District 1	53,922	\$1.40	\$75,491	\$75,491	15%	\$11,324	\$11,324	N/A	\$10,415	\$10,415	30%	\$3,124	\$3,124	-86.20%	-\$65,076	-72.41%	-\$8,199
District 2	45,510	\$1.40	\$63,714	\$63,714	15%	\$9,557	\$9,557	\$1.40	\$63,714	\$63,714	15%	\$9,557	\$9,557	NC	NC	NC	NC
District 3	63,321	\$1.40	\$88,649	\$88,649	15%	\$13,297	\$13,297	N/A	\$147,817	\$147,817	30%	\$44,345	\$44,345	88.74%	\$59,168	233.49%	\$31,048
District 4	64,624	\$1.40	\$90,474	\$90,474	15%	\$13,571	\$13,571	\$1.40	\$90,474	\$90,474	15%	\$13,571	\$13,571	NC	NC	NC	NC
District 5	53,623	\$1.40	\$75,072	\$75,072	15%	\$11,261	\$11,261	N/A	\$89,789	\$89,789	30%	\$20,937	\$20,937	-7.04%	-\$5,283	85.92%	\$9,676
District 6	57,778	\$1.40	\$80,889	\$80,889	15%	\$12,133	\$12,133	\$1.40	\$80,889	\$80,889	15%	\$12,133	\$12,133	NC	NC	NC	NC
District 7	36,333	\$1.40	\$50,866	\$50,866	15%	\$7,630	\$7,630	N/A	\$50,255	\$50,255	30%	\$15,077	\$15,077	-1.20%	-\$611	97.80%	\$7,447
District 8	51,297	\$1.40	\$71,816	\$71,816	15%	\$10,772	\$10,772	\$1.40	\$71,816	\$71,816	15%	\$10,772	\$10,772	NC	NC	NC	NC
District 9	52,774	\$1.40	\$73,884	\$73,884	15%	\$11,083	\$11,083	N/A	\$54,349	\$54,349	30%	\$16,305	\$16,305	-26.44%	-\$19,534	47.12%	\$5,222
Hawaii																	
District 1	11,021	\$1.40	\$15,429	\$15,429	15%	\$2,314	\$2,314	N/A	\$2,952	\$2,952	30%	\$886	\$886	-80.87%	-\$12,477	-61.73%	-\$1,429
District 2	13,296	\$1.40	\$18,614	\$18,614	15%	\$2,792	\$2,792	\$1.40	\$18,614	\$18,614	15%	\$2,792	\$2,792	NC	NC	NC	NC
District 3	12,543	\$1.40	\$17,560	\$17,560	15%	\$2,634	\$2,634	\$1.40	\$17,560	\$17,560	15%	\$2,634	\$2,634	NC	NC	NC	NC
District 4	11,715	\$1.40	\$16,401	\$16,401	15%	\$2,460	\$2,460	\$1.40	\$16,401	\$16,401	15%	\$2,460	\$2,460	NC	NC	NC	NC
District 5	11,205	\$1.40	\$15,687	\$15,687	15%	\$2,353	\$2,353	\$1.40	\$15,687	\$15,687	15%	\$2,353	\$2,353	NC	NC	NC	NC
District 6	11,196	\$1.40	\$15,674	\$15,674	15%	\$2,351	\$2,351	\$1.40	\$15,674	\$15,674	15%	\$2,351	\$2,351	NC	NC	NC	NC
District 7	10,653	\$1.40	\$14,914	\$14,914	15%	\$2,237	\$2,237	\$1.40	\$14,914	\$14,914	15%	\$2,237	\$2,237	NC	NC	NC	NC
District 8	11,518	\$1.40	\$16,125	\$16,125	15%	\$2,419	\$2,419	N/A	\$4,118	\$4,118	30%	\$1,235	\$1,235	-74.46%	-\$12,007	-48.92%	-\$1,183
District 9	12,147	\$1.40	\$17,006	\$17,006	15%	\$2,551	\$2,551	\$1.40	\$17,006	\$17,006	15%	\$2,551	\$2,551	NC	NC	NC	NC
Maui	88,054	\$1.40	\$123,276	\$123,276	15%	\$18,491	\$18,491	\$1.40	\$123,276	\$123,276	15%	\$18,491	\$18,491	NC	NC	NC	NC
Maui	88,054	\$1.40	\$123,276	\$123,276	15%	\$18,491	\$18,491	N/A	\$32,886	\$32,886	30%	\$9,886	\$9,886	-73.32%	-\$90,390	-48.65%	-\$8,626
Kauai	40,235	\$1.40	\$56,329	\$56,329	15%	\$8,449	\$8,449	\$1.40	\$56,329	\$56,329	15%	\$8,449	\$8,449	NC	NC	NC	NC
Kauai	40,235	\$1.40	\$56,329	\$56,329	15%	\$8,449	\$8,449	N/A	\$5,380	\$5,380	30%	\$1,614	\$1,614	-90.45%	-\$50,949	-80.90%	-\$6,835
State Senate																	
District 1	26,796	\$1.40	\$37,514	\$37,514	15%	\$5,627	\$5,627	\$1.40	\$37,514	\$37,514	15%	\$5,627	\$5,627	NC	NC	NC	NC



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COMMITTEE ON JUDICIARY

TUESDAY, 2/5/29, 9 AM, Room 016
SB640, RELATING TO PUBLICLY FUNDED ELECTIONS
TESTIMONY

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Rhoads, Vice-Chair Wakai and Committee Members:

The League of Women Voters of Hawaii **supports SB640** that **aims to increase the viability of the state partial public financing of elections program.**

A public campaign funding program's goals are:

- People without extraordinary wealth or wealthy friends can run for and win public office; elected officeholders are reflective of the community at large
- Candidates spend more time listening to and meeting with their constituents, instead of constantly needing to raise money
- Elected officials are less indebted to a narrow set of big money donors and are more accountable to all voters.
- The League of Women voters actively promoted the adoption of the current partial public financing program in 1979. SB640 builds on this success by updating monetary amounts available to candidates under the program

The number of candidates certified under the partial public funding program has decreased substantially since the late 1990's. In 2018 the number was the lowest in years (18). This is regrettable in a time when the media typically report large campaign donations when reporting elected official's controversial actions. The media and the public are reasonably suspicious of the relation between large donations and political decisions.

Inflation of campaigning costs in addition to simple economic inflation make it harder for publicly funded candidates to succeed. SB640 addresses this issue by increasing the amounts they can receive and expend.

The League at this time makes no comment on the sections on increasing funding for candidates running for offices with no incumbent. Thank you for the opportunity to submit testimony.

LATE



Tuesday, February 5, 2019

Senate Bill 640
Testifying in Support

Aloha Chair Rhoads, Vice Chair Wakai, and Members of the Committee on Judiciary,

The Democratic Party of Hawai'i (The Party) **supports SB640 Relating to Publicly Funded Elections**, which increases for candidates seeking office in an election with no incumbent certain expenditure and qualifying limits.

The Party appreciates the legislature's interest in continuing to build on the progress started with the creation of the partial public funding program, the Hawaii Election Campaign Fund, during the 1978 Constitutional Convention.

Public funding for elections is important and we would like to see public funding expanded in all races. We believe that expanding public funding would be beneficial in helping to facilitate competitive elections and allow for first-time candidates to be part of the public discussion.

When Connecticut's State Elections Enforcement Commission looked at data¹ from the 2010 elections, they found that with the implementation of public financing in their state, unopposed elections decreased from 53 in 2008 to 32 in 2010, with many of their legislative candidates saying that the availability of public funding options was one of the factors that led them to decide to run for public office.

The Party believes further that expanding public funding for candidates will allow them to dedicate less time to fundraising and create more opportunities for candidates to be able to interact more freely with the communities they seek to represent. This will hopefully encourage more first-time candidates, notably young people and regular working citizens with time constraints to participate in the electoral process, and inspire more people to volunteer on campaigns and go out and vote.

For all these reasons, we urge you to pass this measure.

Mahalo for the opportunity to testify,

Josh Frost
Co-Chair, Legislation Committee
Democratic Party of Hawai'i

Zahava Zaidoff
Co-Chair, Legislation Committee
Democratic Party of Hawai'i

1. <https://campaignlegal.org/sites/default/files/Public%20Financing%20Fact%20Sheet.pdf>