



## CLEAN ELECTIONS, ARIZONA 2006

By  
MEGAN MOORE

DECEMBER 11, 2008



This publication was made possible with support from:

Carnegie Corporation of New York, *Strengthening U.S. Democracy*  
Ford Foundation, *Governance Performance and Accountability*  
The Pew Charitable Trusts, *State Policy Initiatives*  
Rockefeller Brothers Fund, *Program on Democratic Practice*

More than one-third of the 90 legislators elected in Arizona in 2006 participated in the state's Clean Elections program. In addition, the governor, attorney general, secretary of state, state mine inspector, superintendent of public instruction, and one member of the corporation commission ran under the public-finance system.

An analysis of money raised by Arizona candidates during the 2006 elections shows that:

- The \$9.2 million in public funds collected by 2006 candidates accounted for 72 percent of the total raised. Private funds comprised just 28 percent of campaign contributions, the smallest share since the Clean Elections program began in 2000.
- The 2006 election cycle was the first in which voters were guaranteed a Clean Elections governor: both the Democratic and Republican general-election candidates accepted public funding.
- More candidates are entering races with the advent of public funding. In 2006, there were 14 percent more House candidates and 16 percent more Senate hopefuls than in 1998, the last election without public funding.
- In 2006, the gap in fund raising between incumbent legislative candidates and their challengers was considerably smaller, on average, than in any previous election cycle when public funding was available.
- Participating general-election candidates raised equitable amounts while non-participating winners raised far more than losers. On average, Clean Elections legislative winners raised \$40,222 compared with the \$42,951 raised by general-election losers. Privately financed winners raised an average \$34,520, more than six times the \$5,133 collected by general-election losers.
- Legislative winners had the smallest fund raising advantage since 2000 over general-election losers. Winners raised an average 19 percent more than general-election losers in 2006, compared with 96 percent in 1998, 43 percent in 2000, 34 percent in 2002 and 47 percent in 2004.
- Winners have only increased their average fund raising by 28 percent since 1998, from \$28,776 to \$36,875, while general-election losers more than doubled their average over the same period, from \$14,699 to \$31,097 and primary-losers saw a 79 percent increase, from \$16,988 to \$30,430.

**Public funds collected by 2006 candidates accounted for 72 percent of the total raised**

## **THE ARIZONA CLEAN ELECTIONS SYSTEM**

Candidates who choose to participate in the Arizona Clean Elections program limit receipts of private money and instead finance their campaigns primarily with money provided by the Citizens Clean Elections Commission. To qualify for these public funds, candidates must collect a set number of \$5 qualifying contributions from registered voters in their districts. The number of qualifying contributions depends on the office sought.

The exploratory and qualifying periods are the only times that candidates are permitted to collect private money. This seed money is used to facilitate the collection of the \$5 qualifying

contributions. Seed-money contributions may only come from individuals and are limited both by how much an individual can contribute, as well as the total amount candidates may receive. During this period, candidates may also contribute a small amount of personal money to their campaigns. Both seed money and personal money limits are based on office sought; state legislative candidates collect lesser amounts than those running statewide races.

Candidates who opt in to the state’s Clean Elections program receive disbursements from the Clean Elections fund for the primary and general elections based on whether they face opposition. They may receive additional funds, up to three times the initial allocation, in races where non-participating candidates spend more than the initial disbursement or when independent expenditures benefit opponents or target a participating candidate.

The Citizens Clean Elections Commission receives funding from a 10 percent surcharge on criminal and civil fines, the \$5 contributions participating candidates are required to collect, a voluntary check-off on state income tax forms and from contributions to the commission that are eligible for tax credits.<sup>1</sup> Any funds that candidates do not spend must be returned to the Clean Elections fund.

#### FIGURES FOR ARIZONA’S CLEAN ELECTIONS CANDIDATES, 2006<sup>2</sup>

OFFICE	QUALIFYING CONTRIBUTIONS	SEED MONEY	PERSONAL MONEY	PRIMARY DISBURSEMENT	GENERAL DISBURSEMENT
Legislature	210	\$2,980	\$580	\$11,945	\$17,918
Mine Inspector Corporation	525	\$5,950	\$1,160	\$23,890	\$35,835
Commission	1,575	\$11,910	\$1,160	\$47,770	\$71,655
Superintendent of Public Instruction	1,575	\$11,910	\$1,160	\$47,770	\$71,655
Treasurer	1,575	\$11,910	\$1,160	\$47,770	\$71,655
Attorney General	2,625	\$23,820	\$1,160	\$95,550	\$143,325
Secretary of State	2,625	\$23,820	\$1,160	\$95,550	\$143,325
Governor	4,200	\$46,440	\$1,160	\$453,849	\$680,774

### THE 2006 ELECTION

Public funding accounted for 72 percent of the money raised in 2006: more than \$9.2 million of the \$12.8 million collected. Private contributions accounted for just 28 percent of candidate money, the smallest share since public funding became available. In addition, candidates in 2006 collected a combined 13 percent more than those in 1998, before public funding was available.

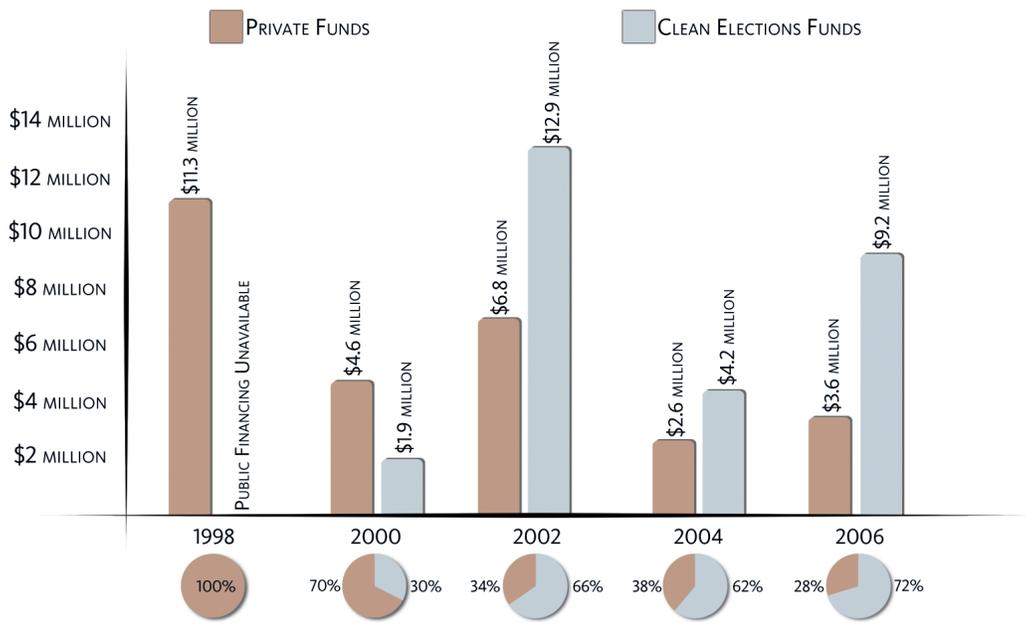
Although Clean Elections candidates raised a larger percentage of public funds in 2006 than in previous election cycles, the total collected was 35 percent less than the amount raised in the 2002 election cycle — the last cycle in which the governor and other statewide offices were up for election. Most of the difference can be traced to gubernatorial candidates’ fund raising. In 2002, there was an open seat race for the top office, so both Democratic and Republican candidates

<sup>1</sup> “Funding Sources Clean Elections Commission,” *Citizens Clean Elections Commission* [on-line]; available from <http://www.ccec.state.az.us/ccecweb/ccecays/home.asp>; Internet; accessed Nov. 2, 2007.

<sup>2</sup> “2006 Guide to Clean Elections,” *Clean Elections Institute, Inc.* [on-line], available from <http://www.azclean.org/publications.html>; Internet; accessed Nov. 2, 2007.

faced contentious primary races. Five gubernatorial candidates collected more than \$1 million in 2002, including the privately funded Republican primary-election winner. Because there was a Democratic incumbent in 2006, there were just five major-party candidates. Also, since the Republican challenger opted to use public funding in 2006, clean elections payouts did not have to compensate for private fund raising.

## CLEAN ELECTIONS VS. PRIVATE FUNDS



## SOURCES OF FUNDS

Public funding is often lauded for breaking the connection between campaign finances and special interests. Under the Arizona system, candidates that collect public funds receive very little private money and it must come from individuals.

### *Legislative Elections*

In 2006, publicly funded state legislative candidates collected 6 percent of their funds from private sources.

Privately funded candidates received 46 percent of their funds from five economic sectors: lawyers and lobbyists; finance, insurance and real estate; candidates' personal contributions to their campaigns; civil servants and retirees; and health interests. Clean elections candidates collected 2.9 percent of their funds from those same sources.

TYPE OF FUNDS	PARTICIPATING CANDIDATES		NONPARTICIPATING CANDIDATES	
	TOTAL	% OF TOTAL	TOTAL	% OF TOTAL
	Clean Elections Funds	\$4,085,713	94%	\$0
Private Funds	\$275,697	6%	\$2,476,406	100%
<b>TOTAL FUNDS</b>	<b>\$4,361,410</b>	<b>100%</b>	<b>\$2,476,406</b>	<b>100%</b>

#### **ECONOMIC INTEREST**

Lawyers & Lobbyists	\$19,705	0.5%	\$298,843	12.1%
Finance, Insurance & Real Estate	\$10,477	0.2%	\$272,899	11.0%
Candidate Self-Finance	\$21,180	0.5%	\$202,048	8.2%
Other/Retiree/Civil Servants	\$65,880	1.5%	\$195,985	7.9%
Health	\$7,870	0.2%	\$174,068	7.0%
Energy & Natural Resources	\$395	0.009%	\$66,872	2.7%
Construction	\$2,278	0.05%	\$65,804	2.7%
General Business	\$3,445	0.07%	\$64,406	2.6%
Labor	\$455	0.01%	\$52,640	2.1%
Agriculture	\$745	0.02%	\$46,486	1.9%
Transportation	\$790	0.02%	\$23,870	1.0%
Political Party	\$1,555	0.4%	\$21,595	0.9%
Communications & Electronics	\$2,902	0.07%	\$20,377	0.8%
Ideology/Single Issue	\$140	0.003%	\$6,264	0.3%

#### ***Gubernatorial Elections***

Democratic Gov. Janet Napolitano was re-elected in 2006 the same way she was initially elected: with the support of public funding. Unlike 2002, when Napolitano's general election Republican opponent was privately financed, her 2006 challenger also chose to participate in the Clean Elections program.

Both Napolitano and her Republican challenger, Len Munsil, collected 3 percent of their funds from private contributors.

### **PROPORTION OF CLEAN ELECTIONS CANDIDATES**

More than half of the 233 candidates seeking office in 2006 accepted public funding. The 128 Clean Elections candidates ran for state legislature and corporation commission, as well as every statewide office including governor, secretary of state and attorney general.

### *Legislative Candidates*

In 2006, more senate candidates participated in the Clean Elections program than in previous election cycles but fewer house candidates accepted public funding than in 2002 and 2004.

The previous high point was in 2002, when 26 senate candidates financed their campaigns with public money. In 2006, seven more (33) used public financing. There were also fewer total senate candidates in 2006 than in 2002, possibly owing to the 2002 re-districting, which may have weakened the perceived incumbent advantage and enticed new candidates to seek office. Senate candidates who participated in the Clean Elections program accounted for half of the candidates in 2006 but just 36 percent in 2002 and 39 percent in 2004.<sup>4</sup>

Seventy-nine house candidates accepted public funding in 2006, which is the fewest number of participating candidates since 2000, the first year the program went into effect. Though the number of Clean Elections candidates is smaller than in 2002 and 2004, the percentages of participating candidates are roughly the same: 58 percent in 2006, 60 percent in 2004, and 56 percent in 2002.

In every election cycle in which public funding was offered, the total number of candidates seeking state legislative office was greater than the number who ran for office in 1998, before public funding was available. The 136 candidates who ran for house seats in 2006 was 14 percent more than in 1998 and the 64 senate hopefuls in 2006 accounted for 16 percent more than in 1998.

#### **BREAKDOWN: HOUSE & SENATE CANDIDATES BY FUNDING SOURCE, 1998–2006**

CANDIDATE TYPE	HOUSE					SENATE				
	1998*	2000	2002	2004	2006	1998*	2000	2002	2004	2006
Clean Elections	0	40	87	80	79	0	14	26	23	33
Privately Funded	119	110	68	54	57	55	64	47	36	33
<b>TOTAL</b>	<b>119</b>	<b>150</b>	<b>155</b>	<b>134</b>	<b>136</b>	<b>55</b>	<b>78</b>	<b>73</b>	<b>59</b>	<b>66</b>

\*Public financing program not yet in effect.

### *Gubernatorial Candidates*

The 2006 election cycle was the first in which both the Democratic and Republican gubernatorial general election candidates participated in the Clean Elections program. Democratic Gov. Janet Napolitano was first elected in 2002 with the assistance of public funding but her opponent in that race was privately financed.

Three 2006 gubernatorial candidates used public funding and three collected private money.<sup>5</sup> This is fewer than the six participating candidates in 2002 when there was an open seat race. Open seats often attract a larger field of candidates, as there is no incumbent advantage.

### *Other Candidates*

All races for statewide offices included Clean Elections candidates. In the state mine inspector and attorney general contests, both candidates opted for public funding.

<sup>4</sup> Unlike many other states, Arizona senators serve two-year terms so all senators were up for re-election in every election cycle discussed.

<sup>5</sup> These figures exclude write-in candidates.

There were fewer Clean Elections candidates for constitutional offices in 2006 than in 2002 but more candidates overall in 2002. In 2006, nine Clean Elections candidates ran for attorney general, secretary of state, state mine inspector, superintendent of public instruction and treasurer, compared with 15 in 2002. Clean Elections candidates accounted for 69 percent of the 13 candidates in 2006 and 71 percent of the 21 candidates in 2002. In 1998, when there was no public funding, a total of 16 candidates sought the five offices.

**Prior to public funding, in 1998, incumbents raised more than twice as much as challengers, on average**

### FUND RAISING BY LEGISLATIVE CANDIDATES

With the advent of public funding, the gap between fund raising by incumbents and challengers has closed considerably.

On average, incumbent legislative candidates raised 3 percent more than those competing in races without incumbents and 30 percent more than challengers. The gap in fund raising between incumbents and challengers is considerably smaller than in any previous election cycle when public funding was available. Prior to public funding, in 1998, incumbents raised more than twice as much as challengers, on average.

In 2006, incumbents, challengers and open seat candidates all raised more, on average, than did candidates in the last privately funded elections. Challengers made the biggest gain, increasing their average fund raising by 123 percent from 1998 to 2006.

**AVERAGE FUND RAISING BY TYPE OF LEGISLATIVE CANDIDATE, 1998–2006**  
**% INCREASE 1998–2006**

CANDIDATE TYPE	1998	2000	2002	2004	2006	% INCREASE 1998–2006
Incumbents*	\$31,372	\$37,525	\$33,031	\$36,704	\$38,032	21%
Challengers	\$13,148	\$19,521	\$17,666	\$25,924	\$29,272	123%
Open Seats	\$22,056	\$21,496	\$25,288	\$41,963	\$36,949	68%

\*Includes incumbents of one office running for another office or district, against the incumbent or for an open seat.

The averages include all candidates who were on the ballot, whether or not they raised money. Ten candidates raised no money or less than the threshold for reporting contributions in 2006, compared with 13 in 2004, 14 in 2002, 21 in 2000, and 19 in 1998. All except two lost their races. Many were third-party candidates who typically raise little money, while some were major-party candidates who lost their primary elections. Almost all were challengers or running for an open seat.

As in past election cycles, fund raising in races with only non-participating candidates was one-sided. Incumbents continued to raise far more, on average, than their challengers in those races for which all candidates opted out of the Clean Elections program.

Only two of the five house races with solely non-participating candidates were competitive. In the other three, the six incumbents were re-elected without facing opposition. Challengers seeking to topple incumbents raised an average of \$5,498. Two of the five challengers were Libertarian candidates who did not raise any money. The incumbents in these races collected \$46,104, on average, or eight times more than the challengers' averages. When compared with house races including Clean Elections candidates, the fund raising averages are much closer: incumbents raised 30 percent more than challengers and 6 percent more than open seat candidates.

Incumbents did not face opposition in six of the eight senate races featuring only privately funded candidates. Challengers raised an average of \$1,358 for the other two races and incumbents averaged 16 times more, or \$21,874. This is in stark comparison to races that included participating candidates. Incumbents raised 18 percent more than challengers, on average, and 22 percent more than open seat hopefuls.

The following tables show the average amounts of money raised when races featured only non-participating candidates and when they included publicly financed candidates.

**AVERAGE FUND-RAISING FOR RACES WITH ONLY NON-PARTICIPATING CANDIDATES**

CANDIDATE TYPE	HOUSE					SENATE				
	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006
Incumbents	\$29,842	\$24,240	\$8,504	\$14,454	\$28,591	\$33,922	\$35,218	\$21,926	\$32,488	\$17,641
Challengers	\$13,336	\$25,989	—	\$0	\$5,498	\$12,504	\$8,034	—	\$701	\$1,358
Open Seats	\$17,304	\$14,703	\$9,477	—	—	\$31,000	\$25,252	\$12,598	\$70,926	—

**AVERAGE FUND RAISING FOR RACES WITH PARTICIPATING CANDIDATES**

CANDIDATE TYPE	HOUSE				SENATE			
	2000	2002	2004	2006	2000	2002	2004	2006
Incumbents	\$40,639	\$30,980	\$36,648	\$38,408	\$42,633	\$47,110	\$53,791	\$46,093
Challengers	\$20,016	\$17,304	\$25,905	\$29,485	\$27,756	\$18,632	\$34,961	\$39,084
Open Seats	\$23,220	\$26,191	\$28,263	\$36,121	\$17,901	\$27,349	\$43,474	\$37,880

In the 11 races with only Clean Elections candidates, house incumbents raised an average 34 percent more than challengers. The senate averages were more equitable: incumbents collected 7 percent more than challengers. Open seat candidates raised the most: on average 58 percent more than incumbents. Including candidates who lost the primary election skews these figures because they stopped receiving Clean Elections payments after their loss. When primary losers are excluded, house incumbents raised an average 16 percent more than challengers; the average separating senate incumbents and challengers is just \$416.

The funding gap between legislative winners and losers in 2006 was the smallest since 2000, the first year for public funding of elections. Winners raised an average 19 percent more than general-election losers compared with 96 percent in 1998, 43 percent in 2000, 34 percent in 2002 and 47 percent in 2004. Winners have increased their fund raising by only 28 percent since 1996, on average, while general-election losers more than doubled their average over the same period and primary-losers saw a 79 percent increase.

**The funding gap between legislative winners and losers in 2006 was the smallest since 2000, the first year for public funding of elections**

**AVERAGE FUND RAISING BY CANDIDATE STATUS, 1998–2006**

<b>CANDIDATE STATUS</b>						<b>% INCREASE</b>
	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>2006</b>	<b>1998–2006</b>
Winners	\$28,766	\$35,896	\$33,519	\$36,968	\$36,875	28.2%
Losers	\$14,699	\$25,171	\$24,975	\$25,148	\$31,097	111.6%
Primary losers	\$16,988	\$14,718	\$21,705	\$28,284	\$30,430	79.1%

In 2006, publicly funded winners and general-election losers raised more than their privately funded counterparts, on average, while privately-funded primary losers raised slightly more. Clean Elections winners collected an average 17 percent higher than privately-funded winners. Losers who participated in public funding raised eight times more than those who did not. That figure is cut in half when the 10 candidates who raised less than the reporting threshold are excluded. Privately funded primary losers raised 3 percent more than Clean Elections primary losers, on average.

Splitting candidates by funding type also reveals that participating general-election candidates raise equitable amounts while non-participating winners raised far more than losers. In fact, participating general-election losers raised 7 percent more than winners, on average. Privately-financed winners collected almost seven times more than general-election losers.

**AVERAGE FUND RAISING BY PARTICIPATING & NON-PARTICIPATING CANDIDATES**

<b>STATUS</b>	<b>PRIVATE FUNDING</b>					<b>PUBLIC FUNDING</b>			
	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>2006</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>2006</b>
Winners	\$28,766	\$36,633	\$32,882	\$35,479	\$34,520	\$31,895	\$34,675	\$38,704	\$40,222
Losers	\$14,699	\$18,808	\$1,681	\$1,828	\$5,133	\$34,363	\$35,770	\$40,694	\$42,951
Primary Losers	\$16,988	\$13,047	\$18,737	\$29,582	\$31,012	\$22,299	\$24,526	\$27,402	\$30,118