

Democracy North Carolina

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A Profile of the Judicial Public Financing Program, 2004-06

June 2006

The Judicial Campaign Reform Act of 2002 gave candidates for the N.C. Supreme Court and Court of Appeals a choice: They could raise campaign money the old-fashioned way, from private donors, which often had the appearance of impropriety because most of the funds raised in the typical race came from attorneys who might argue cases in the candidate's court. Or they could receive a competitive amount of "clean" campaign money from the NC Public Campaign Fund – if they voluntarily accepted fundraising and spending limits and demonstrated broad support from registered voters in the form of hundreds of qualifying donations.

Broad Participation by Candidates

Even before funding for the new program was secure, candidates began indicating a strong interest in using an option that relieved them of the grueling money chase.

- **20 of 28 (71%) of the candidates for the NC Supreme Court and Court of Appeals enrolled and qualified for the program in the 2004 and 2006 general elections.**
- **All kinds of candidates qualified: Incumbents and challengers; black and white; men and women; Democrats and Republicans; winners and losers.**

2004 Election (Race/Sex/Party) 12 qualified, 14 tried*

Sarah Parker (W/F/D)	James A. Wynn Jr. (B/M/D)
John Tyson (W/M/R)	Linda McGee (W/F/D)
Howard Manning (W/M/R)	Bill Parker (W/M/R)
Betsy McCrodden (W/F/D)	Wanda G. Bryant (B/F/D)
Fred Morrison Jr. (W/M/D)	Alice C. Stubbs (W/F/R)
Paul M. Newby (W/M/R)	Alan Thornburg (W/M/D)

* In 2004, Ronnie Ansley and Barbara Jackson tried but didn't qualify

** In 2006, Kris Bailey tried but did not qualify

2006 Election: 8 qualified, 9 tried**

Sarah Parker (W/F/D)
Eric Levinson (W/M/R)
Patricia Timmons-Goodson (B/F/D)
Ann Marie Calabria (W/F/R)
Robin Hudson (W/F/D)
Bob Hunter (W/M/D)
Linda Stephens (W/F/D)
Donna Stroud (W/F/R)

Voters Authorize "Voter-Owned Elections"

To get access to public funds, the candidate had to raise at least 350 contributions of \$10-\$500 from 350 registered voters, during the primary period, adding up to at least \$35,000. Candidates went well beyond the minimum, engaging a remarkably large number of people in judicial elections – voters who authorized their access to the Public Campaign Fund. The voters are the true "owners" in this form of campaign financing.

- **4,000+ registered voters provided qualifying donations in 2006 to 8 candidates**

Approximate Numbers of Voters Who Gave Qualifying Donations in 2006

Sarah Parker - 685

Eric Levinson - 625

Patricia Timmons-Goodson - 560

Ann Marie Calabria - 830

Robin Hudson - 530

Bob Hunter - 650

Linda Stephens - 535

Donna Stroud - 710

Public Funds Collected & Awarded, Minimum Impact on General Fund

The program began in the 2004 election, using income from only one year (rather than normal two years) of collections from a new \$3 check-off on the state income-tax form, voluntary donations from attorneys, and left over money from a defunct public financing program. The legislature provided a one-time grant of \$725,000 to the Public Campaign Fund for “rescue” funds, which were not drawn down that year because no qualified candidate faced a high-spending opponent.

Beginning in 2006, attorneys are required to pay a \$50 surcharge on their dues to the State Bar, which will generate about \$1 million per year for the Fund. The \$3 check-off is on pace to bring in about \$1.2 million in 2006, about the same as in 2005 and 15-20% more than in 2004. The income for the Public Campaign Fund is sufficient for candidates but was unable to pay for the printing and mail distribution of a Voter Guide in the primary election. A Voter Guide will be mailed in the 2006 general election and public funds have been paid to qualified candidates.

- **\$1.5 million provided to 12 qualified candidates in the 2004 general election**
- **\$500,000 spent for printing and mailing 4 million Voter Guides in 2004 general election**
- **\$1.5 million paid by May 31, 2006, to 8 qualified candidates in the 2006 general election**

Basic Grants from Public Campaign Fund Paid to Qualified Candidates, 2006

Sarah Parker - \$216,650	Robin Hudson - \$211,050
Eric Levinson - \$211,050	Bob Hunter - \$144,500
Patricia Timmons-Goodson - \$211,050	Linda Stephens - \$144,500
Ann Marie Calabria - \$211,050	Donna Stroud - \$144,500

“Rescue” Funds, Provided in Timely Manner, Level Playing Field

To prevent qualified candidates from being overwhelmed by high-spending opponents or opposition groups, the program provides “rescue” funds, up to twice the amount of the original grant, which is the spending limit accepted by the qualified candidate for the general election. In the race for Chief Justice, a qualified candidate could receive maximum rescue funds of \$433,300 – twice the original grant.

- **\$54,595 was sent to candidate Sarah Parker on June 13 because her opponent, Rusty Duke, had raised that much more than the spending limit she agreed to accept.**
- **The \$54,595 is the first payment of rescue funds in the program’s short history.**

Rescue Funds Promote A Level Playing Field

Sarah Parker - \$216,650 original grant	< = >	Rusty Duke - \$272,000 in private funds
- \$ 54,595 rescue funds sent		as of May 31

Duke is required to report additional fund-raising on a frequent basis and Parker is eligible to receive up to \$433,300 in “rescue” funding

Reduced Special Interest Funding & Conflicts-of-Interest

One of the objectives of the program was to provide judicial candidates with an alternative source of “clean” funding so they did not need to rely so heavily on attorneys and others who appear, or might appear, in their courtrooms. The campaign money needs to come from somewhere, and if the public doesn’t supply it, candidates must rely on those willing to pay. For judicial candidates, the money suppliers wind up being a relatively small circle of interests and people who do business with the courts. The same problem occurs in other areas, e.g., with candidates campaigning for the elected agency heads on the Council of State (Commissioners of Insurance, Agriculture, Labor; Treasurer; etc.) and with candidates for the state legislature.

The figures below illustrate the success of the program in replacing a dependency on self-interested money (leading to actual or potential impropriety and conflicts of interest) with public-interest money.

- **Judicial candidates in the 2002 general election received 73% of their non-family campaign money from attorneys and special interest or political committees**
- **This figure dropped to 14% for the 12 candidates who qualified to receive public support in the 2004 general election.**

Reduced Use of Donations from Attorneys, Self-Interested Donors, From 2002 to 2004

	2002	2004
Total raised from sources other than candidate and candidate’s family	\$1.36 million	\$2.18 million
Amount raised from attorneys and attorney-related PACs	\$744,000	\$302,000
Percent of Total from attorneys	55%	14%
Amount raised from PACs and other political committees (not counting attorney-related PACs)	\$251,000	\$200
Percent of Total from special-interest committees	18%	0%
Amount raised from attorney, PACs and political committees	\$995,000	\$302,200
Percent of Total from attorneys or special-interest committees	73%	14%

Data from the campaign reports and other reports filed with the State Board of Elections, analyzed by Democracy North Carolina. Small, unitemized contributions are assumed to come from similar sources as the donations with a name and address.