

Applying a Public Finance System to Municipal Elections in Worcester, Massachusetts: A Comparative Study of Connecticut, Colorado, and California Systems of Public Finance

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Over the course of the semester we have been researching publicly financed campaigns, financing in Worcester, public campaign financing in locations similar to Worcester and working on a thought experiment of our own. We had decided to model what public funding would look like in Worcester Massachusetts. This included a model of how much money we would give, what the requirements would be, who would qualify and how the experiment would turn out. We were met with some hesitation from the Worcester City Council members when we proposed our idea, and we were open to making changes for our third project. Below is our completed analysis of state and local public funding in Massachusetts and Connecticut, our application to Worcester, and our comparisons of Richmond, California and Boulder, Colorado to our city.

I. State and Local Public Financing in Massachusetts and Connecticut:

In an attempt to observe the impact of federal and state campaign finance laws, we have profiled the finance laws in Massachusetts and Connecticut. We sought to find the key differences between Massachusetts and Connecticut's campaign financing and apply those laws to differences we saw in data in the 2012 Senate elections. Full public financing, something not legal in federal or Massachusetts elections, proved to have a huge impact on election trends and comparisons.

State elections are different from federal elections for a multitude of reasons; there is a lot less money involved, less advertising, and the majority of funding of candidates comes from individual donations rather than large corporations or PACs. Each state has a very different set of campaign finance laws; some state elections are completely publicly funded and some states have elections with majority private funding (similar to federal elections). In this paper we analyzed the election finance laws from Massachusetts a state that has elections that are mainly privately funded and Connecticut, a state that has complete public funding of elections.

Connecticut uses a bloc grant formula for distributing public funds. A bloc grant formula essentially means that once a candidate qualifies for public financing they are giving public subsidies in one lump sum or in large chunks according to a set time table. The bloc grant formula makes private contribution essentially useless. Connecticut's bloc grant system makes elections more competitive, incumbents and challengers begin the elections with the same amount of funds.

The requirements for receiving public funding in CT are simple if you running for a seat in the house you must raise \$5,000 in contributions of \$5-\$100, at least 150 contributions must come from in state residents. For senate \$15,000 in contributions of \$5-\$100, at least 300 contributions must come in the form of individual donations from in state residents. For Governor \$250,000 in contributions of \$100 or less, at least \$225,000 must from individual donations from in state residents. Lieutenant Governor, Attorney General, State Comptroller, State Treasurer, and Secretary of State Candidates must raise \$75,000 in contributions of \$100 or less, \$67,250 must come from in state residents.

The limits on campaign spending in CT are equally as strict as the requirements for receiving public funding. A candidate running for a position in congress can spend a total of

\$6,000 in the qualifying period; \$10,000 in the primary and \$25,000 in the general election. Individuals running for senate can spend up to \$17,000 in the qualifying period, \$35,000 in the primary, and \$85,000 in the general election. Those running for Governor can spend \$270,000 in the qualifying period, \$1,250,000 in the primary, and \$3,000,000 in the general election. All other major state officials (Lieutenant Governor, Attorney General, State Comptroller, State Treasurer and Secretary of the State) can spend \$85,000 in the qualifying period, \$375,000 in the primary and \$750,000 in the general election. These strict limitations make each election more competitive and less money driven. A candidates chances on being elected rest solely on his/her ability to connect with their constituents and their political background, if CT's public finance model was applied to the federal level many complaints about political corruption would disappear.

In order to qualify for public funding in Massachusetts as a Governor one must raise \$75,000 in the primary and \$125,000 in the general elections in individual contributions of \$250 or less. Those running for Attorney General must raise \$37,500 in the primary, and \$62,500 in the general election in contributions of \$250 or less. All others looking to become a state official (Lieutenant Governor, State Secretary, State Treasurer, Receiver General, and Auditor must raise a total of \$15,000 in the primary and \$25,000 in the general election in contributions of \$250 or less. Spending limits of public funds are extremely simple in MA; those running for Governor/Lieutenant Governor can spend a total of \$1,500,000. Those running for Attorney General can spend \$625,000. All other state official candidates can spend a total of \$375,000.

Connecticut and Massachusetts also greatly differ in the maximum amount of public funds available for candidates. In Massachusetts, the public funding limits are simple; Governor and Lieutenant Governor candidates are allowed \$750,000. Attorney General candidates are

allowed \$312,500. State Secretary, Treasurer, Receiver General, and auditors are allowed a maximum of \$187,500. The limits in the public financing in Massachusetts applies to both primary and general elections. In Contrast, Connecticut employs a fairly complex set of guidelines for the maximum amount of public funds available. Candidates running for a seat in the house are allowed a maximum of \$10,000 in the primary (\$25,000 if the district is dominated by the opposing party); \$25,000 in the general election (30 percent of that amount is awarded if the candidate runs unopposed and 60 percent is awarded if the candidate runs against a minor party candidate). Those running for Senate are limited to \$35,000 in the primary (\$75,000 if that district is dominated by another party); \$85,000 in the general elections (30 percent is awarded if the candidate runs unopposed, and 60 percent is awarded if the candidate runs against a minor party candidate). Those running for the Governor position in Connecticut are limited to \$1,250,000 in the primary, and \$3,000,000 in the general elections (30 percent is awarded if the candidate runs unopposed and 60 percent is given if the candidate is running against a minor party member). For those running for any of the following positions: Lieutenant Governor, Attorney General, State Comptroller, State Treasurer or Secretary of the State are limited to \$375,000 in the primary, and \$750,000 in the general election (30 percent of that amount is given if the candidate is running unopposed and 60 percent is given if the candidate is running against a minor party member).

Connecticut's complex set of public finance requirements evens the playing field and invites more people to involve themselves in state politics. The Connecticut requirements recognize money as a necessity for all elections but rather than simply outspending an opponent candidates in Connecticut must strategically use the funds allowed to them by the state. The laws in CT enables candidates to have a legitimate chance running districts that traditionally lean one

direction ideologically, causing the voters to decide if they want to change leadership or not. Often times, in districts that traditionally lean to left or right for a number of years people are less willing to challenge the incumbents. Often times, when a politician consistently wins their district by a wide margin they become complacent and concerned with personal gains as opposed to representing their district to the best of their abilities. Essentially, politicians need challengers to remain honest and effective.

So, how do all of these regulations affect state and local elections? It may seem as though laws are protecting candidates running against incumbents, because of the restrictions they put on donations, but this could actually be hindering challengers. If there is a state where the districts hold incumbent seats, the difference in a party's control of funds could make a big difference in a race. Challengers to incumbents in state and local elections are largely funded by their party contributions. If parties cannot spend enough money on their challengers, whom they give the most money too, then the incumbents could easily keep and win their seats, without having the merit citizens want in a representative. So, while trying to prevent corruption, they could be fueling incumbent leadership. PAC's donate to incumbents, to hold power and maximize their relationship with policymakers. When PAC restrictions are placed, those incumbents raise more money from interest groups, and individual interested in their campaign.

These obstacles in fundraising can cause serious problems for just and fair elections. Yes, they seem as though they are helping challengers pose a chance against the incumbents, but they can also affect small local elections. Yes, small local elections do not need media coverage, as we discussed in class. However, if incumbents are gathering lump sums of money from PACs, and parties have restrictions on what they can spend on their challengers, the incumbent could get more media coverage with the money they have.

In analyzing the campaign finance data for Massachusetts and Connecticut, we attempted to observe the effects of laws and money on the percent of incumbents reelected and partisan outcomes. We also took into account the effects on elements such as voter turnout and public support. This analysis on political races within Massachusetts and Connecticut was done using *followthemoney.org*. The top contributor to Massachusetts state campaigns in 2012 was Peter Lewis of Progressive Insurance, with \$1,097,000, spent in support of the state's medical marijuana initiative. To be expected, Connecticut's public fund contributed the most to the state elections in 2012; with almost \$10.5 million (77 percent of total funding). Nine of the top 20 contributors were individuals in CT. Five of the top twenty in MA were individuals. These figures point to the fact that Massachusetts has a well-developed network of interest donors that have continually supplemented the lack of public funding with large sums of money that individuals cannot necessarily be depended on for. If we consider the aim of all campaign finance laws (state and federal) is to minimize the opportunity for corruption, then we can see that full public financing takes the dependence off of interest groups. For example, the MA ballot in 2012 held a question requiring the publication of brand-specific codes necessary in order to repair new cars. We can see the interest groups motives contributing heavily to the election; as five of the top 20 donors were automotive interest groups. In looking at preliminary donor data, we also notice that parties were not one of Massachusetts top 20 donors, whereas Democratic Contributions were up to \$10,082 in CT. This could be attributed to the fact that Connecticut isn't as "democratically secure" of a state so the party wanted to ensure they had all the money they needed to keep the state secure, unsupplemented by interest groups.

Senate elections in Connecticut and Massachusetts in 2012 seem to have a running theme. Almost all incumbents were reelected, leaving the challengers with many more losses.

This fact also didn't change if the incumbent was a Republican or Democrat. It is also worth noting that because so much of each candidate's financing is coming from public sources in CT, all senate races were only minimally funded by individuals. This reduces the public support or opinion on races in a minor way. This fact could also stand to prove why incumbents are so likely to be reelected in CT state races, although there are public funding restrictions against them to aid the candidate. Massachusetts also sees a lot of success for their incumbents' reelection in the Senate. We have concluded that this consistent incumbent success is similar to federal elections and does not waver very often in state races either.

A question we were left wondering is: Are campaign finance restrictions and laws really best for everyone in state and local elections? We see that Connecticut has such strict laws on public funding and donations, to make the playing field even. With such restrictions, there is only a certain amount that a candidate can receive from funds and through fundraising. These restrictions can lead to candidates, qualified to serve the people, not being able to run a campaign effectively due to funding, and in result losing elections. On the other hand, Massachusetts has no set of limits for what a candidate can spend on their own election, leaving incumbents who are also wealthy stakeholders in politics, to buy a perfect campaign and win the election. So, looking at these two states, we are still left wondering if there are to be campaign finance laws and restrictions, would one set of laws for all states work best?

As a group were left wondering what system could be applied to publicly financing all local campaigns in the United States. So, we began our thought experiment. We wanted to see how the public financing of city council elections, would play out in Worcester. We felt that Connecticut's bloc grant system of giving, would be the best choice for our local Worcester elections. We also wanted to make sure incumbents could be challenged, seeing as incumbency

can easily be bought in many elections. We wanted everyone to have a somewhat equal playing field, which could possibly lead to more citizen involvement. We felt that if we opened a door for someone to run, without having to give up their savings, then some really positive change could happen in Worcester and cities similar to ours. Worcester has nonpartisan city council elections, and is comprised of eleven members. The city uses a Council-manager form of government, the mayor is elected by popular vote and is essentially a figurehead. Chief executive functions are played out by the council appointed manager. In this next section of our paper, we discuss state and local public financing as applied to Worcester Massachusetts, and our complete thought experiment.

II. State and Local Public Financing Applied to Worcester, Massachusetts

For our first paper, we were selected to analyze forms of financing for Worcester municipal elections. Using data from 2007-2013 elections, we established a picture of Worcester campaign finance as a whole. We then compared the public financing system of Connecticut in order to observe a system of public finance that operates effectively. We were left wondering how a public finance model like Connecticut's bloc grant system would operate, if applied to Worcester's municipal elections. This inquiry led us to the main research question of this section of the paper. If we applied Connecticut's bloc grant system to Worcester, what would the rules have to be for this system to work? In this paper we discuss the rules of our thought experiment, the amount of funding that could be given, how candidates could qualify for public financing and how this could affect elections. We also briefly analyze Lowell's voter turnout and spending habits. In an effort to see if we could use our financing system we created for Worcester, in other cities in Massachusetts, somewhat similar to Worcester.

Information from the United States census should stand to provide some grounds on which to begin to analyze Worcester and campaign finance within city elections. Situated in central Massachusetts, Worcester is a city of a little over 180,000 people. Almost 80 percent of the population is of the voting age or over; leaving 144,000 voters technically eligible to vote in city and state elections. Caucasian individuals make up the majority of the population in the city (69 percent) and are followed by Latinos who make up about 20 percent of the population. The city could be considered more “working class”; supported by the fact that just about 22 percent of the population has a Bachelor’s degree or higher.

Municipal elections in Worcester take place every November for School Committee, Mayor, and City Council. The elections are nonpartisan and due to lower-than-necessary candidates, Worcester only holds primaries when there are enough candidates running to call for them. A mayor is appointed who also serves on city council. There are six citywide council members and six School Committee members. The city is divided into five districts; each of which with their own representative in council. Key issues in the city surround the creation of jobs, funding for public services, creating a larger tax base, and establishment of more infrastructure.

The Worcester election data and information from the City of Worcester website from 2009 to 2013 was used to study and compare voter turnout, average incumbent and challenger receipts, and average incumbents reelected. Voter turnout in Worcester city elections averages around 25 percent annually. Voter turnout was recorded at 19 percent in the 2011 city election and dropped to 14.5 percent in the 2013 election. With so little of the population participating in the 2013 election, it became best to analyze data from past elections when laying the framework from which to generalize Worcester campaign finance trends. In the 2009 election, the average

receipts for municipal incumbents was \$27,081 and the average for challengers was \$16,091. In 2011, municipal incumbents averaged \$26,448 and challengers averaged \$8,111. These figures mark a -3 percent change in receipts from 2009-2011, and from 2007-2011 there was a -23 percent change. Also noticeable is the fact that non incumbent spending receipts decreased by almost 50 percent from 2009. The average receipts of municipal incumbents decreased to \$18,373 in 2013. However, challenger receipts increased to \$12,453. This increase can be attributed, in part, to the large sums that citywide council challengers Morris Bergman and Michael Gaffney both raised (or in Gaffney's case contributed) for their campaigns.

The 2013 district council races saw two uncontested districts, two incumbents re-elected to districts, and one win by a challenger. Gary Rosen took the spot from Joseph Eddy, although he only raised about 1/12th of what the incumbent raised. However, Rosen had been on the council before and 2013 was his return. Overall, races for School Committee are not very competitive and incumbents tend to hold onto their spots unless a challenger really works hard. This measure of working hard is easily quantified by the amount of fundraising they do in order to make themselves competitive. An example includes Hilda Ramirez, who raised almost double the challenger average in 2013 and won the spot of Donna Colorio. We can ascertain two things about Worcester campaigns from this information. First, a lack of participation in city campaigns, coupled with a sense of camaraderie in the small city, has voters with a developed sense of loyalty to certain candidates. Second, money is correlated to Worcester campaigns. In competitive races, over the last seven years, challengers that have managed to raise a significant amount have been able to take council positions from those with "tenure". Money does not secure every candidate in Worcester though, and the most important factor for those voters who do participate seem to be the relatableness and loyalty they share with a local candidate. Access

to funding networks and established spots on council also make campaign funds more accessible to raise for incumbents and tends to secure their spot. This security is due to two possibilities; challengers are not confident they can compete because of a lack of fundraising ability or established rapport. This is supported by figures which show increased fundraising by incumbents when necessary to compete, but flat fundraising overall. This suggests candidates feel they only need the minimum to defend their position.

In looking at Mayoral and City Council elections in Worcester from 2007 to 2013 we as a group used this data to create our own thought experiment. We decided to model the CT form of public financing for our experiment, in which candidates are allotted a lump sum of money, from public funding to run for office. If opponents are not running for office under public funding, than public funding is matched up to 77 percent of what the outside candidate is using. In 2007, the highest amount that incumbents have raised in the 2007-2012 spread, winners raised an average of \$37,681, while losers raised an average of \$31,329. So, looking at this data we began to wonder if the \$6,000 gap, if publicly financed, could have changed the results of the elections. As years go by, the gap between winners and losers grows. In an effort to even the playing field and lessen the gap between these incumbents and challengers in their finances, we developed a public financing theory that we thought would work for Worcester, Massachusetts.

The following paragraphs explain the thought behind our preliminary design, a design that we later changed. Although the information about Connecticut all remains true, our application of public finance (qualifying limits, sources of funds, etc.) was tweaked later on in the semester. First, we had to decide where the money would come from. In Connecticut, funds for public financing come from voluntary donations from citizens who support public funding of campaigns. The remainder of Connecticut's public finance budget comes from the money that is

created when abandoned homes are seized by the state. Due to the fact that Worcester elections for Mayor, City Council, and School committee combined were fairly low we estimated that the city could fund the elections using methods similar to the state of Connecticut. In Connecticut, individuals who strongly support publicly financed campaigns can voluntarily donate money to go directly to the city's public finance fund. The remainder of the city's public finance funds could be created in a variety of ways; a portion of the fund could be created by increasing the surcharge on civil and criminal penalties in the state by 10 percent (Arizona Method).

Another opportunity to create funding for elections is for a portion of the revenue created from abandoned properties to go directly to the city's campaign finance fund. Due to a low average income and an extremely low interest in political participation systems such as the tax checkoff system, the tax checkoff system allows taxpayers to earmark a couple dollars that they have already paid to the general fund to the public financing program. The Tax Checkoff system was originally very popular but has declined in popularity throughout the years. Tax add-ons have are similarly ineffective; a, with a tax add on citizens may choose to may an additional dollar or so in taxes to support funding for publicly funded campaigns. Due to the working class nature of Worcester and low political participation we inferred that neither the Tax Add-On or the Tax Checkoff systems would be effective.

We applied the different forms of public campaign financing to the city of Worcester city council elections and concluded that Connecticut's full public funding through the bloc grant system would be the most effective in Worcester. Due to the data above that described the troubles of creating a public finance fund, combined with the anticipated effectiveness of all systems of public finance, we ascertained that the bloc grant system would be the most effective. In states that choose the bloc grant formula, candidates are given subsidies at the beginning of

the election system or in large chunks set to a specific timetable. It is evident that fully publicly funded campaigns create the least corruptions and the most competition. It would enable challenger candidates to begin the election cycle on the same playing field as incumbents leaving only ideology, credentials, and campaigning as the deciding factors in city elections.

Something else we really admired about Connecticut's public financing system, was the cap on personal contributions a candidate can make to their own election. These contributions are closely regulated in the state. Those running for a seat in the house are limited to \$1,000; for senate, \$2,000; for governor, \$20,000. We decided, those running for public office should be limited to \$1,000 of their own funds for Worcester. We chose this because we believed this could deter those who were not popular or a "voice of the people"; marked by their inability to fundraise. This also does not give incumbents the extra advantage of using their own funds they've accrued from their mayor or council position, to basically buy their win.

To be allotted the public financing we decided that candidates must first raise \$1,000 on their own. This can be from party backing, or small donations of \$10-\$20 or less from the public, which we said must come from Worcester residents. With this rule, candidates who are serious about running for office would put in the effort to campaign between their friends and family. They would make the effort to go to local businesses and ask for support, or support from their party. We feel as though someone who made an effort of raising \$1,000, not of their own money, would be willing to be run for office because they have the desire to serve the people. Often times, in districts that traditionally lean to left or right for a number of years people are less willing to challenge the incumbents. Also when a politician consistently wins their district by a wide margin, they become complacent and concerned with personal gains as opposed to

representing their district to the best of their abilities. Essentially, politicians need challengers to remain honest and effective.

Overall, we decided that public financing could reach up to \$35,000 per candidate. As recent election data had shown, an average of \$26,000 was raised by incumbents in the 2011 election cycle. Meaning, to begin to challenge an incumbent, we assumed that you need to raise more than \$26,000. We also decided that candidates running unopposed will receive 30 percent of the \$35,000. This was to remain fair; as not to spend public funds on candidates who do not need money to run against someone else. With a cap of \$35,000 of what the non-publicly funded challenger raised, we felt as though someone could run a fairly successful campaign. The money being spent on campaigns in the Worcester area has decreased from 2007, but to us, this meant that incumbents are realizing that it doesn't take much to keep their spot on the council, while challengers are struggling to take the race seriously, or to raise enough funds to become publicly known.

Fourteen US states currently have some form of public campaign finance available to qualifying candidates for varied positions in state elections. Using outlined information on these states from Common Cause, we observed the methods for raising this funding that different states employ. Most common, was a tax check-off. It seems to raise the most money while being the least "intrusive". Varied other options include fees or surcharges for crimes committed, fees on various license renewals necessary for employment, and tax add ons. These appropriations would not work best in Massachusetts. It is noted that tax add ons also do not generate enough funding. For both of these reasons, we believed the tax check-off would not work best in Worcester.

Lowell, Massachusetts is a city that is very similar to Worcester demographic-wise. For this reason, we decided to observe the trends that occurred in the Lowell elections fundraising from 2009-2013 as well. The aim was to monitor whether or not more cities similar to Worcester could benefit from the idea of publicly financed city campaigns. In looking at the receipts in Lowell over the five years, there is a gap between incumbent and challenger financing that is even larger than Worcester's. Notably, there was also a large increase in challenger spending in 2011; a year that was found to have been more competitive by Lowell city council standards. This type of ebb and flow of financing points to two things: in order to really compete in Lowell, a candidate must be able to raise close to \$15,000 and discouraged candidates may be feeling held back by their inability to fundraise. By minimizing the gap between incumbent and challenger fundraising, we could see increased competition within Lowell due to higher candidates able to run. A public campaign finance fund could stand to minimize this gap, as it would in Worcester. In cities where city government participation is low, this boost could cause a renewed interest in elections with increased possibilities for candidates to run. Therefore, we feel as though it would be interesting to see our public financing system we created for Worcester, applied to Lowell.

With the data given, it seemed as though public financing with a lump sum of \$35,000 unless otherwise specified, would benefit those wishing to challenge long time incumbents in Worcester local politics. With this system that we created, we felt as though a city such as Lowell, and other cities similar to Worcester's demographics, could benefit from using our new model. It aimed to provide an initial source of financing for challengers in order to encourage participation and, in turn, increase the competitiveness of municipal elections as a whole. As a group, we felt as though a change in funding in local elections could also lead to a higher voter

turnout. Those who are given a chance to run against the incumbents on a somewhat equal playing field, could lead Worcester residents to the polls and have a more active role in electing their local government. In order to further test the applicability of our thought experiment, we moved onto the final part of our research, and studied the public finance systems, demographics, and “municipal cultures” of two other mid-sized cities in the United States. We chose Richmond California and Boulder Colorado, and sought to use their data to create the “perfect” system of publicly financed elections for Worcester.

III. Public Finance Systems of Richmond, CA and Boulder, CO: What do the municipal public financing systems of Boulder, CO and Richmond, CA stand to tell us about the opportunity of public financing in Worcester elections?

Worcester municipal government is composed of six citywide council members and six School Committee members. The city is divided into five districts; each of which with their own representative in council as well. We gathered data in our second research paper regarding Worcester’s size, demographics, set up of municipal governments, and voter turnout . Worcester is a city of a little over 180,000 people; with 80 percent of the population (144,000 voters) of the voting age or over. 69 percent of the population in the city is Caucasian. Latinos make up about 20 percent of the population. The city could be considered more “working class”; supported by the fact that just about 22 percent of the population has a Bachelor’s degree or higher. Voter turnout in Worcester city elections averages around 25 percent annually. Voter turnout was recorded at 19 percent in the 2011 city election and dropped to 14.5 percent in the 2013 election.

Using this information along with campaign data, we found three trends in Worcester elections. First, we noted that there is low government participation in Worcester. We hypothesized that this was possibly caused by the working class aspect of the population or by

the fact that candidates simply weren't "exciting" enough. Next, we realized that incumbency is dictated by money for the most part. However, the trend in Worcester is that if there is a candidate that is "of the people" and is strongly supported by his or her community, then that takes precedent. Incumbents do have the money advantage in Worcester but really only seem to use that when they are trying to further their political careers. Otherwise, money raised by incumbents stays steady or slowly tapers off. We hypothesized that this is because of low candidate participation rates (in elections) making it less likely that an incumbent will see tough competition. We wanted to answer whether or not a public finance system in Worcester municipal elections could allow for more competition, more diverse competition, and a higher voter turnout. To better answer that question, we looked at two other American cities to measure whether their public financing systems allowed for these kind of outcomes. To do so, we continued our analysis by also collecting information on the size, demographics, set up of municipal governments, and rules on public financing for Richmond and Boulder. The aim was to gauge how the first three factors influenced the fourth. We then considered how those factors in Worcester could potentially alter the applicability or structure of a public finance system for Worcester municipal elections.

Richmond, California has a population of roughly 106,000 people. With more 13 more square miles than Worcester, Richmond actually falls about 76,000 people short of Worcester's population. The city is located in the bay area, and like Worcester, has many industrial establishments in the city because of their easily accessible ports. White non-hispanics make up 31 percent of the population, African Americans make up 26 percent of Richmond and Hispanics comprise 39 percent of the population. The average household income is about \$51,000 per year. This is almost \$9,000 more than Worcester. The average voter turnout was 54 percent from

2007-2011. One of the more surprising details about Richmond, is that it is actually the largest city in the country, to have a Green Party Mayor.

The Richmond City Council consists of six Council Members elected at large, and a separately elected mayor. Though fewer people, this arrangement is the same as Worcester's. They have a Council-Manager form of government in which the mayor is a popular figurehead for the city. The city council members are not full time city officials and they retain their own positions in private industry, business, and other professions. Incumbency seemed to be the "norm" in Richmond's city government. The members are all active in their community, and one member had been on the city council since 1999. When elected to council, most members stay. In their online profiles, almost all of the members report being involved in some sort of city wide group before or during their time in office. Several hold awards from the NAACP, women's organizations, and housing organizations in Richmond. This leads us to believe that members of the City Council in Richmond are well educated, culturally aware, and probably very well-liked by the citizens they serve.

Richmond has a Bloc-Matching system. When \$15,000 total in matchable contributions are received, \$5,000 is dispersed. When \$20,000 in matchable contributions is received, candidates receive another \$5,000. This continues with every \$5,000 up to a total of \$25,000 in matching funds. There is a maximum of \$25,000 from public financing per candidate. This money comes from a tax add on for the citizens of Richmond. One election particularly caught our attention. In the 2012 election large amounts of money were spent, upwards of \$4 million dollars. Citizen's United seemed to have a huge impact on Richmond California. The PAC "Moving Forward" was funded by the eighth largest oil company, Chevron. Previously there had been a large fire at their refinery in the city. Citizens of the city demanded that Chevron leave

Richmond, and withdraw from spending money in local elections. Trying to put this behind them, Chevron decided to fund three people running for office, in the hopes of giving themselves a better rapport with the citizens. These new candidates were plastered on billboards across the city, and on pamphlets delivered to every door. Moving Forward tried to buy their way into the city council, which could give Chevron influence over their future projects in the city. One person running for city council was a school teacher with 25+ years of experience with the Richmond community. Posing a challenge to Chevron's candidates, Moving Forward spent \$275,000 on campaign literature discrediting him and another candidate who was part of a progressive party in Richmond.

Looking at Richmond we noticed that PAC contributions were just not fair for local city council elections. Pertaining to our own thought experiment, we didn't want money to equal speech. Therefore we are highly critical of allowing PAC's to spend money in local elections to appease their personal agenda. We do not feel that this could pose a threat in Worcester, as PAC spending is not popular, but we do feel that it could certainly complicate things for other cities elections.

Boulder, Colorado has an estimated population of 101,808, \$80,861 less than Worcester. Boulder is also smaller than Worcester from a geographic perspective, Worcester is large than Boulder by roughly 13 square miles. Boulder is less of an industrial city than Worcester, in fact the largest employer in Boulder is the University of Colorado, Boulder. Due to the college making up such a large portion of the population, Boulder has one of the lowest median ages of any city in the country (28.7 years), compared to the national median age of 37.2 years. Unlike Worcester, Boulder lacks diversity, 88 percent of citizens are white, 0.9 percent are black, 0.4 percent are Native American, 4.7 percent are Asian and 8.7 percent are Hispanic or Latino of any

race. The average household income in Boulder is \$57,112, exceeding Worcester's by an average of \$14,394 per household. Despite holding elections on odd numbered years, a large number of college students and a low median age the voter turnout rate in Boulder is reasonably high, between 2007-2011 the average voter turnout rate in municipal elections was 45 percent.

Similar to Worcester, the city of Boulder has a Council-Manager form of government; the city council sets policies for the operation of the government. Boulder's city council consists of nine members: a mayor, a mayor pro tem, and seven city council members. The city council members are elected at-large on a nonpartisan basis. Council members either serve a four or two year term, every two years, five council members are elected to office. The four candidates who received the most votes serve a four-year term, the fifth candidate, receiving the least number of votes serves a two-year term. Serving on the city council is a part time responsibility, councilmembers continue to work full time job while serving; many of the members are attorneys or involved in business. Although incumbents tend to get easily re-elected it is uncommon for people to remain on the council for a long time. The longest tenured member of the council, Suzy Ageton has served for nine years and plans of retiring at the end of her current term. Two other council members plan on retiring with Ageton creating three open seats in the upcoming election.

Elections for the Boulder city council have been publicly since 2000. Boulder uses a partial public finance system commonly known as a matching system. In a matching system, the city will match \$1 in public funds for every \$1 in contributions. The funds for campaign financing are created via sales and use taxes. The spending limits in Boulder are both innovative and unique, candidates may spend \$0.15 per registered voter; obviously the total amount varies in coordination with the changing population size. In order to qualify for public funding in

Boulder a candidate must raise 10 percent of the spending limit in contributions of \$25 or less. Citizens of Boulder are limited to one \$100 donation per candidate in a given election, and candidate's personal contributions are limited to 20 percent of the spending limit. The use of public funds is extremely popular; all current city council members used matching funds in the last election. The threshold requirements in Boulder's city council elections forces candidates to spend a lot of time campaigning and connected with voters. Due to the fact that small individual contributions make up such a large percent of funding in Boulder, citizens have a lot more say in how they want their city to operate than in larger, privately funded cities.

A large portion of our thought experiment was the desire to create a public finance system that enabled interested citizens and politicians to challenge incumbent candidates. Based on the data listed above it is fair to assume that Boulder undoubtedly has created a system where challenging an incumbent is entirely possible. Another important element of our thought experiment was to limit the power of wealthy individuals and corporations, because individuals are limited to contributing \$100 per candidate it is fair to assume that Boulder's matching system has greatly reduced the ability of a single business or individual to greatly influence an election.

According to the Center for Governmental Studies, there are five key benefits of public finance systems. Reducing negative influence of large contributions, freeing up time for candidates to address and publicize issues, and raising wider awareness on issues have been discussed earlier in this paper. However, we have focused on measuring the success of public finance by judging the levels of voter participation and the number and diversity of candidates. In our evaluations of Boulder and Richmond we noted success of their public finance levels based on voter turnout, diversity of candidates, and incumbency rates. Notably, Richmond's popular Green Party mayor stands to represent the possibilities of a successful public finance

system that drives diversity of candidates. We also admired the high rates of voter turnout in both cities over the period of 2007-2012; pointing to the success of public finance to increase voter participation. We ascertain that this is due to the quality of candidates and the tendency to get invested in a candidate that represents voters' particular points of view. Lastly, we took the low rates of incumbency in Boulder to represent an increased level of competition among candidates; spurring from the opportunity for more candidates to run granted by the public financing system. Given these successes in similar mid-sized cities, we determined a partial public finance system would, in fact, benefit the municipal government in Worcester.

In studying the public finance systems of Boulder and Richmond, we realized that many factors must be taken into account when determining whether or not a public finance system is even feasible for a particular city. Once that decision is made, regarding Worcester in this case, then factors such as demographics, established business industries, and average household incomes in the city must be strongly considered when shaping the system and predicting its effectiveness. These factors speak to the necessity of public finance, the limits on various elements of public finance, and whether or not the potential benefits of a system could surface in the particular environment of a city. We did not successfully take all of these factors into account when creating our original thought experiment and hypothetical Worcester public finance system. We realized, in reworking the public finance parameters for Worcester, that public finance is not just concerned with doing away with corruption. It can be a means to allow a city to diversify and increase the amount of candidates, therefore exciting their residents by allowing candidates of many views to "get the floor".

Our final thought experiment parameters are as follows. We decided that Worcester elections do not need to be fully publicly funded or "clean" elections. Instead, we established a

partial public financing system like in Boulder and Richmond; allowing and encouraging candidates to receive the funding if necessary but decline it as they saw fit. First, we had to decide where the money would come from. We had originally determined that a combination of a tax check off and funds from seized properties would be ideal. However, we're not confident that enough money could be raised this way because Worcester has a small tax base as it is; meaning taxes are low and people don't make enough money in the city to create a large tax base. Instead, we came up with the supplemental idea that upcoming marijuana dispensaries could be taxed an additional percent; creating a larger public finance pool. These three methods of garnering funds should create a large enough amount of money. We originally determined a bloc system would work best but a bloc-matching system is a lot more dynamic and it encourages candidates to reach certain goals, as needed. This would rule out unnecessary or excessive funding from the state that would be common in a simple bloc system.

To be allotted the public financing we decided that candidates must first raise \$1,000 on their own. This can be from party backing, or small donations of \$10-\$20 or less from the public, which we said must come from Worcester residents. At the point that that amount is raised, we suggest a \$5,000 bloc amount, with the opportunity to match funds 1:1 for the next \$1,000 raised. This would continue up to \$17,000 and the remaining \$3,000 available would come from matching 1:1. We stayed with the rule that candidates can only submit \$1,000 to their own election; allowing inclusion of low-or-middle-income candidates that could not compete in races with a self-funded candidate. This aims to increase the diversity of candidates. Overall, we decided that public financing could reach up to \$20,000 per candidate. As recent election data had shown, an average of \$26,000 was raised by incumbents in the 2011 election cycle. Meaning, to begin to challenge an incumbent, we assumed that a candidate needed \$26,000 or

more. The \$20,000 cap stands to aid candidates greatly but the \$1,000 qualifying amount would rule out candidates that the people truly did not support or see eye-to-eye with.

IV. Conclusions

This paper includes research on publicly financed campaigns, financing in Worcester, and public campaign financing in locations similar to Worcester in order to holistically compose a thought experiment on a public finance system for Worcester's municipal government. We considered the benefits of public finance and observed some of those benefits in cities that have publicly finance campaigns. It became evident through our research that municipal governments and their constituents are very nuanced, in the sense that certain elements of local elections and outcomes cannot be generalized like they can at the national level. That is because demographics, belief systems, presence of industries, etc. are extremely different in each city. However, we believe that Worcester is in need of a public finance system and has the constituency to support it and benefit from it fully. At this point we think a new format will increase voter participation, increase competition for complacent incumbents and pave the way for diverse candidates with fresh ideas to affordably join the race in hopes to rejuvenate the city.

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Appendix 1:*Limits on Campaign Finance- Federal v Massachusetts v Connecticut*

	Individual → Candidate	State Party → Candidate	PAC → Candidate	Corporate → Candidates	Union → Candidates
Federal	\$2,600/ candidate	\$5,000/ candidate	\$5,000/ candidate	Prohibited	Prohibited
MA	\$500/candidate	\$3,000/ candidate/year	\$500/ candidate Aggregate from PACs <\$18,750 Senate Candidate \$7,500/house	Prohibited	Same as PAC
CT	\$1,000/senate candidate \$250/ House candidate	\$10,000/Senate Candidate \$5,000/House Candidate	\$1,500/senate candidate \$750/state candidate	Prohibited	Same as individual limits

Appendix 2:*Relevant Information Richmond, CA*

	Size of City	Population	Partisan?	Average Receipts	Average Household Income
Richmond, CA	52.48 sq. mi.	106,516 people	No	\$54,657	\$51,652

*US Census Bureau

Appendix 3:*Relevant Information Boulder, CO*

	Size of City	Population	Partisan?	Average Receipts	Average Household Income
Boulder, CO	25.68 sq. mi.	101,808 people	No	N/A	\$57,112

**US Census Bureau*

Appendix 4:*Variation from Worcester, MA*

City	Size of City	Population	Partisan?	Average Receipts 2007-2011	Avg. Household Income
Worcester	38.6 sq. miles	182,669 people	No	\$25,892.25	\$42,718
Boulder, CO	-12.92 sq. mi.	-80,861 people	No	N/A	+\$14,394
Richmond, CA	+13.88 sq. mi.	-76,153 people	No	+\$28,765	+\$8,934

**US Census Bureau*