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Vermont Legislative Research Shop

Vermont Campaign Finance Analysis

Table 1 provides a comparison of the contribution limits that are proposed in S.0278 and those that were enacted under Act 64 and deemed unconstitutional by the US Supreme Court in the *Randall v. Sorrell* (548 US __ [2006]) decision. The proposed limits in S.0278 mean candidates could, in effect, raise more than twice as much per election cycle from individuals and groups as they could under Act 64. The limit on party committee contributions to gubernatorial candidates is set at \$30,000 in S.0278 compared with the \$1,000 limit under Act 64. Additional S.0278 addresses other concerns mentioned in *Randall* by indexing the limits to inflation and by excluding certain material/time contributions from individuals and political party committees.

| | Contribution limits under Act 64 (invalidated by US Supreme Ct) | Limits proposed under S.0278 | | |
|------------|---|---------------------------------|--|--|
| | | individual/groups per election* | individual/group per election cycle* | party committees per election cycle |
| Governor | \$400 | \$1,000 | \$2,000 | \$30,000 |
| State-wide | \$400 | \$1,000 | \$2,000 | \$10,000/\$5,000 |
| Senate | \$300 | \$500 | \$1,000 | \$2,000 |
| House | \$200 | \$250 | \$500 | \$1,000 |
| | | | Excludes unreimbursed volunteer expenses under \$1,000 | Excludes voter lists and other written materials to candidates, conducting candidate training, volunteer recruitment, event coordination and other activities that benefit three or more candidates, and get-out-the-vote activities |

* adjusted for inflation

Table 1: A comparison of proposed limits to those enacted in Act 64 and invalidated by the US Supreme Court.

Effects of Contribution Limits on Incumbent Success, Competitiveness, and Fund Raising

The attached charts and tables provide election and campaign finance information on Vermont State House, State Senate and gubernatorial campaigns. The information includes: measures of competition and incumbency reelection success for State House candidates as well as average campaign contribution and expenditure data for those races; contributions and expenditures for gubernatorial contests; and, measures of competition and average campaign contributions and expenditures for State Senate contests.

In general, the data shows that elections held under the campaign contribution limits struck down by the US Supreme Court in *Randall v. Sorrell* (548 US __ [2006]), which are less than ½ the level of contributions that would be allowed under S.0278, exhibit none of the problems allegedly associated with contribution limits. Specifically,

- House incumbents were no safer when the \$200 contribution limits were in place (see Figure 1).
- The \$200 contribution limits appear to have had no adverse effect on the levels of contestation or competitiveness of house races (Figures 2 and 3). In two of the three years the \$200 limits were in effect the percent of competitive seats exceeded the average for the time period examined. The margin of victory (another measure of competitiveness) was smaller (indicating more competitive races) for winners in 2 seat districts in two of the years the limits were in place and for winners in 1 seat districts in one of the years the \$200 limits were in place.
- The \$200 contribution limits apparently did not reduce the average amounts of money raised in state house campaigns; this is true whether one examines all contests, just competitive contests, or challengers in competitive contests (Figures 4 through 6).
- Gubernatorial candidates in 2000 and 2004 appeared to have raised substantial amounts of money under the \$400 limits, even if one excludes the large contributions they received from their respective party organizations (see Figure 7).
- The \$300 contribution limits for State Senate candidates appeared to have no adverse effect on the ability of candidates to raise money (see Figure 8).
- The years during which the \$300 contribution limits were in place saw no drop in competitiveness of State Senate contests as measured by contested and competitive seats across the state or as measured by the margin by which major party candidates lost in the Chittenden County senate seat (see figures 9 and 10).

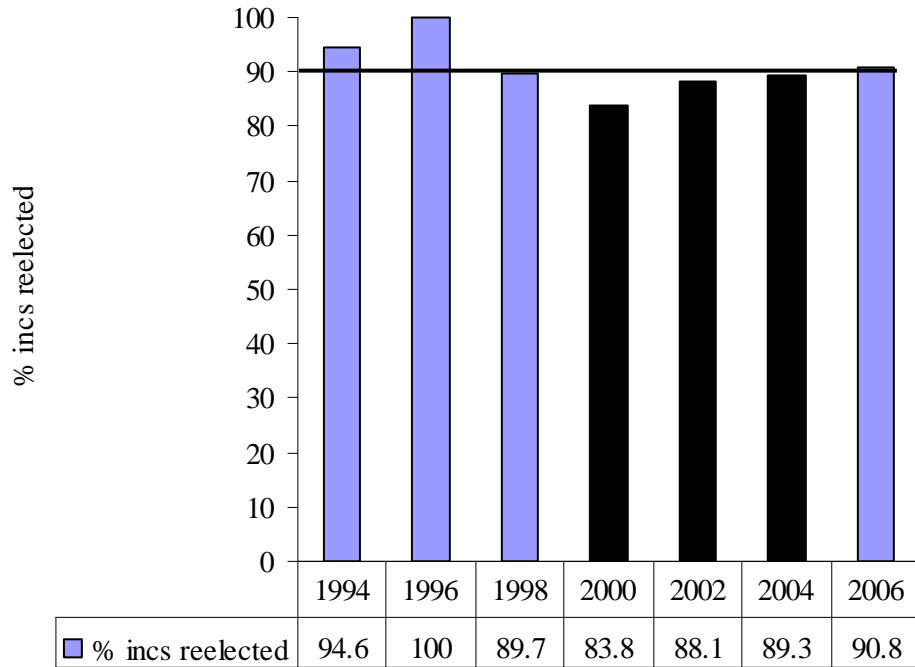


Figure 1: House incumbents’ reelection success rate, 1994 to 2006. Black bars represent elections held with \$200 contribution limits in effect.

Source: All data in these figures and tables are based on data from the Vermont Secretary of State, paper documents and Internet-based material.

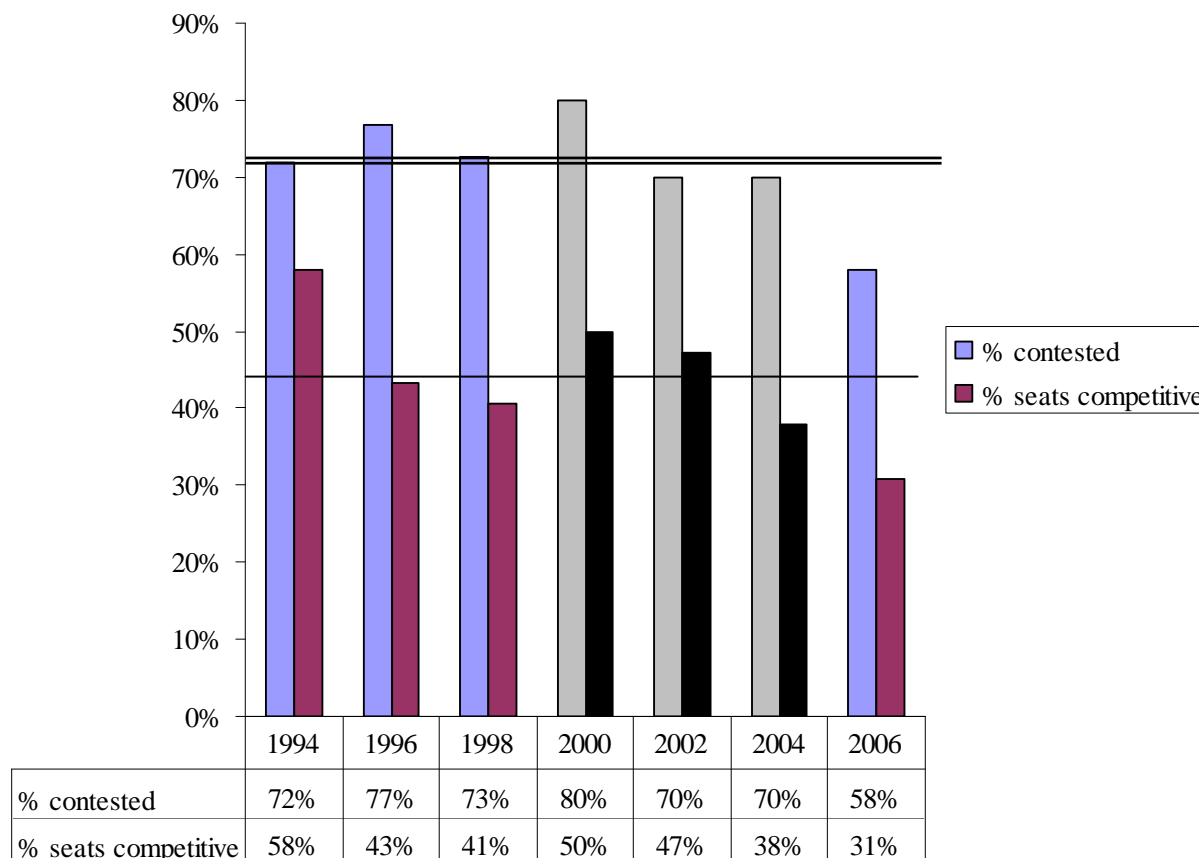


Figure 2: The percent of Vermont House seats contested and the percent competitive, 1994-2006.

The average percent of contested seats over the time period was 71 percent and is represented by the double line cutting across the top of the graph. The average percent of competitive seats over the time period was 44 percent and is represented by the single line cutting across the middle of the graph.

The grey and black bars represent the election years during which contributions were limited to \$200 per election cycle.

A seat was counted as contested if there were at least 2 candidates vying for the seat. In 2 seat district, this means that if there were 3 candidates, only one of the seats was considered contested.

A seat was counted as competitive if the margin of victory was within 10 percentage points. For single seat districts the margin was measured as the distance from 50 percent (unless there were more than 2 candidates). For 2 seat districts margin was calculated according to a formula devised by Niemi, Jackman and Winsky, where the candidates of opposite parties are paired off against each other, with the highest vote-getter matched against the lowest vote-getter of the other party, and the second highest vote-getter matched against the highest losing vote-getter of the other party.¹ The rationale for this method is: the candidate with the highest vote would not be defeated until he or she received fewer votes than the weakest opposing party candidate, and the candidate with the second highest vote would not lose until he or she received fewer votes than the losing candidate of the opposite party with the highest losing vote total.

¹ Richard Niemi, Simon Jackman, and Laura Winsky, "Candidacies and Competitiveness in Multimember Districts," *Legislative Studies Quarterly*, Vol. 16, No. 1 (February 1991) pp. 91-110.

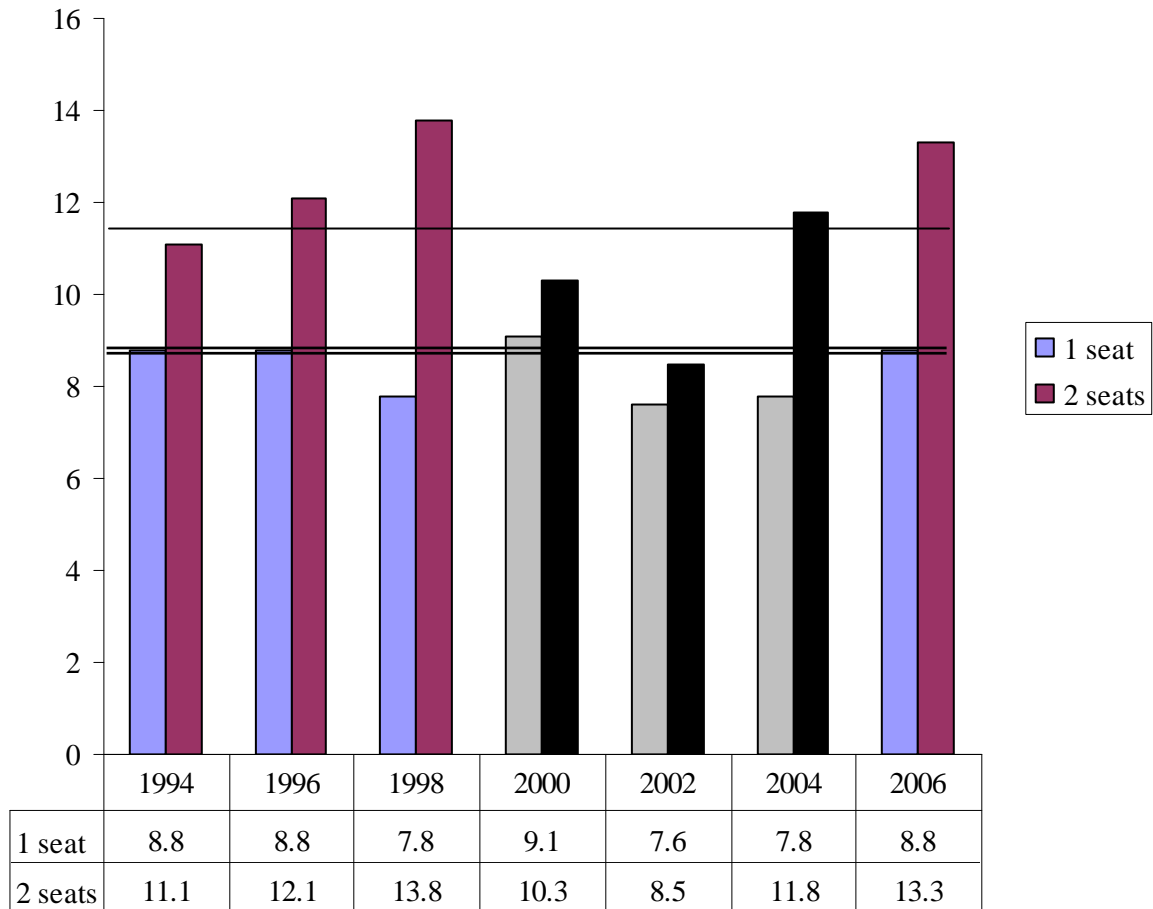


Figure 3: Average margin of victory in state house contested races for 1 seat and 2 seat districts, 1994-2006. Bars represent the average margin by which candidates in contested seats won.

The grey and black bars represent the election years during which contributions were limited to \$200 per election cycle. The single line represents the average margin of victory for winners in 1-seat districts for the time period covered (11.6); the double line represents the average margin of victory for winners in 2-seat districts (8.4) for the time period covered.

For margin calculations see Figure 2 above.

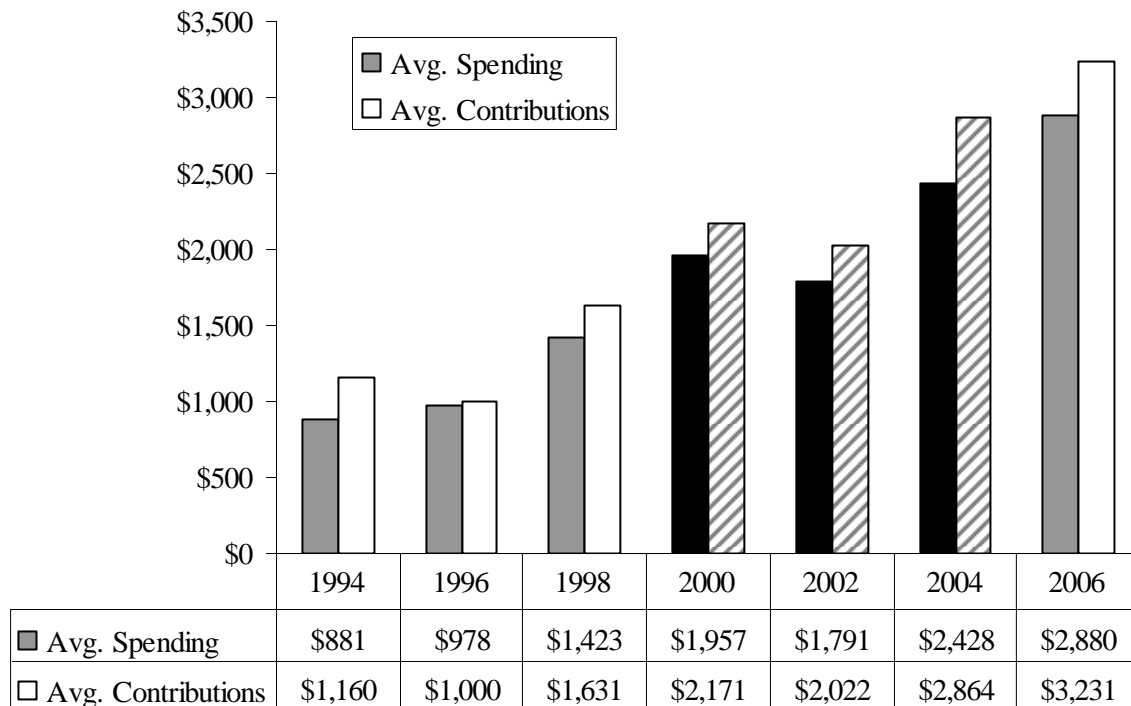


Figure 4: Average spending and contributions for all state house candidates, 1994 to 2006. Black and striped bars identify the years the \$200 contribution limits were in place.

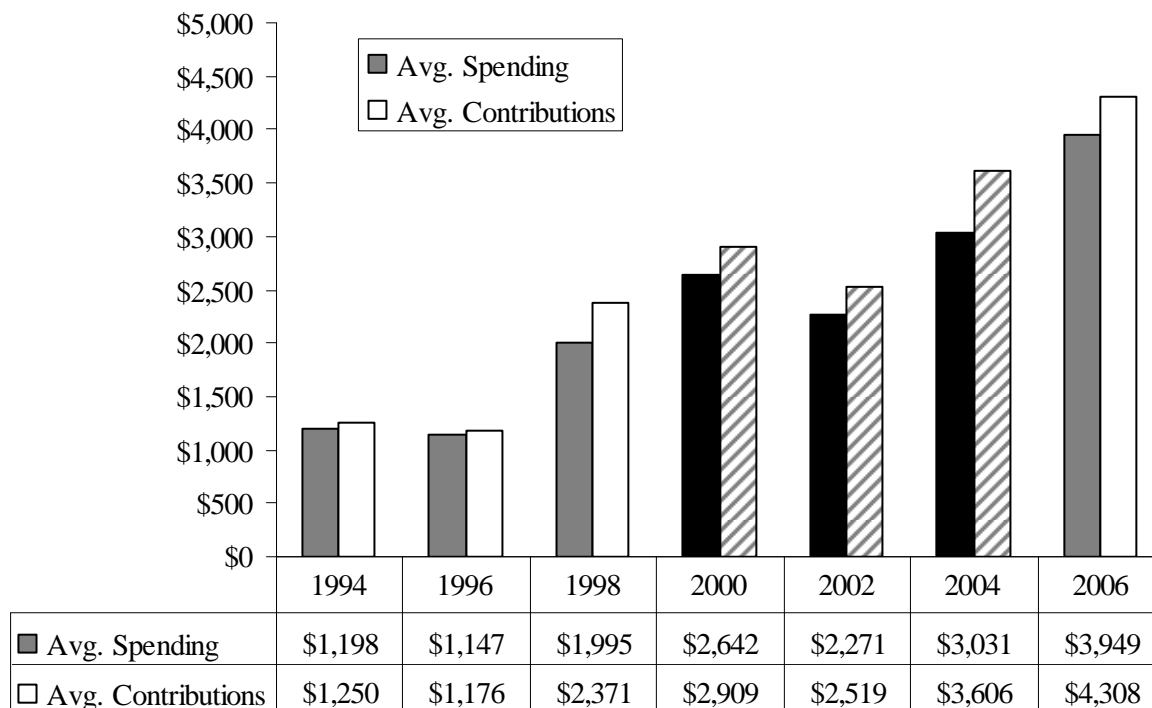


Figure 5: Average spending and contributions for state house candidates in competitive races, 1994 to 2006. Black and striped bars identify the years the \$200 contribution limits were in place. See figure 2 for definition of “competitive races.”

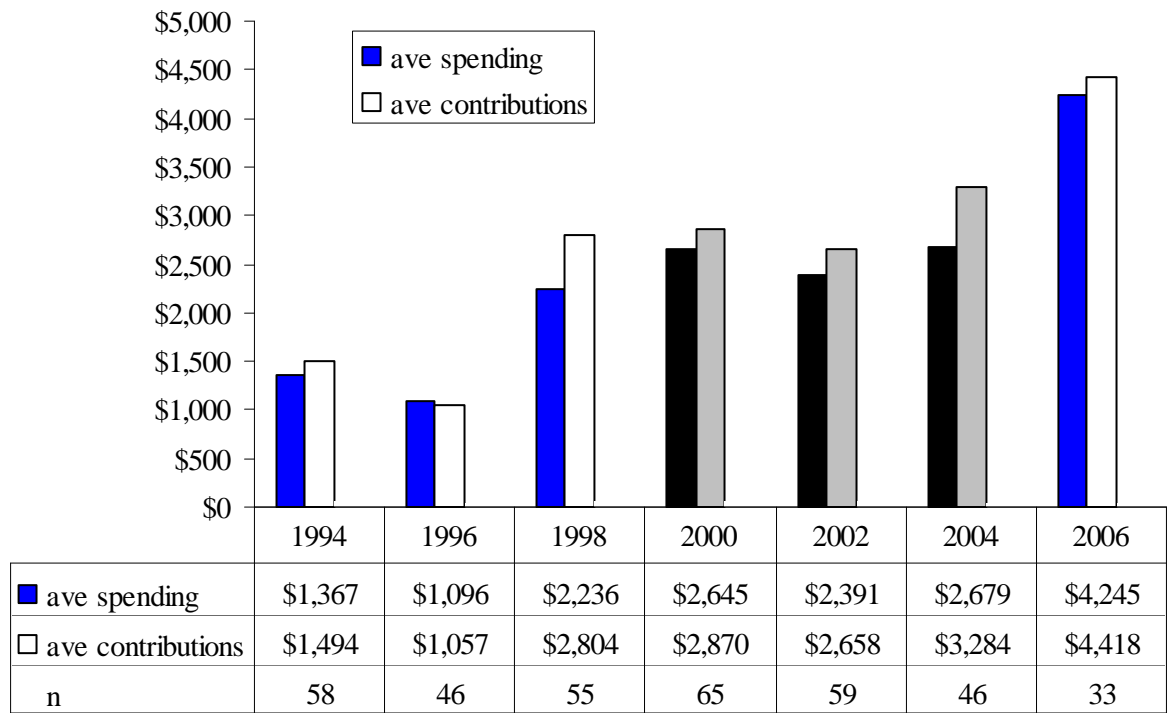


Figure 6: Average spending and contributions for challengers in competitive contests, 1994 to 2006. Black and gray bars identify the years the \$200 contribution limits were in place. See figure 2 for definition of “competitive races.”

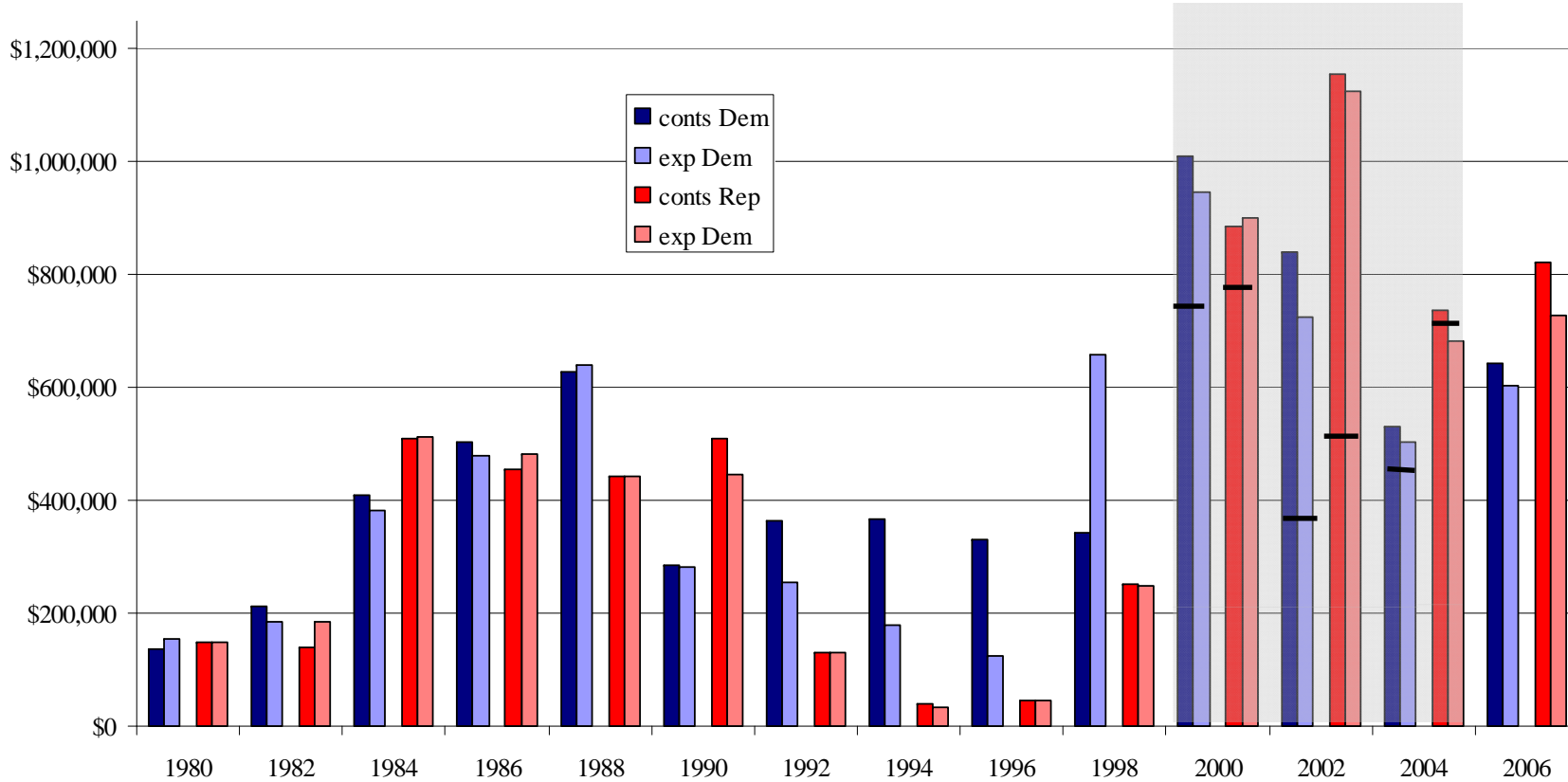


Figure 7: Contributions and expenditures of gubernatorial candidates by party, 1980 to 2006 (shaded area represents elections operating under \$400 contribution limits; area of bar above the black bands represent party contributions)

In this table you can observe the same results as in the statewide elections figures. The gubernatorial candidates of both parties have very little problems in raising money. The figure shows how in the elections between 2000-2004, the candidates were able to raise more than previous candidates in previous elections cycles.

Table 1: Total Contributions and Expenditures for Gubernatorial Candidates, 1980 to 2006

| Year | Candidate | Party | Total Contributions | Total Expenditures |
|------|------------|-------|---------------------|--------------------|
| 1980 | Snelling | R | \$149,791 | \$147,383 |
| 1980 | Diamond | D | \$137,631 | \$154,083 |
| 1982 | Snelling | R | \$139,613 | \$185,379 |
| 1982 | Kunin | D | \$213,421 | \$185,379 |
| 1984 | Kunin | D | \$410,695 | \$380,993 |
| 1984 | Easton | R | \$509,860 | \$513,805 |
| 1986 | Smith | R | \$455,075 | \$482,236 |
| 1986 | Kunin | D | \$504,603 | \$478,294 |
| 1986 | Sanders | P | \$58,705 | \$55,158 |
| 1988 | Bernhardt | R | \$443,585 | \$441,473 |
| 1988 | Kunin | D | \$628,090 | \$639,863 |
| 1990 | Welch | D | \$283,754 | \$281,541 |
| 1990 | Snelling | R | \$510,821 | \$447,478 |
| 1992 | Dean | D | \$363,902 | \$253,527 |
| 1992 | McCloughry | R | \$131,563 | \$131,406 |
| 1994 | Dean | D | \$368,116 | \$180,145 |
| 1994 | Kelley | R | \$39,061 | \$33,616 |
| 1996 | Dean | D | \$331,100 | \$124,976 |
| 1996 | Gropper | R | \$45,913 | \$46,241 |
| 1998 | Dean | D | \$342,403 | \$657,065 |
| 1998 | Dwyer | R | \$252,511 | \$249,188 |
| 2000 | Dean | D | \$1,008,815 | \$946,444 |
| 2000 | Dwyer | R | \$884,998 | \$899,582 |
| 2000 | Pollina | P | \$299,961 | \$335,412 |
| 2002 | Douglas | R | \$1,156,183 | \$1,124,519 |
| 2002 | Racine | D | \$840,686 | \$723,907 |
| 2002 | Hogan | I | \$265,192 | \$265,192 |
| 2004 | Clavelle | D | \$530,012 | \$502,537 |
| 2004 | Douglas | R | \$738,317 | \$681,662 |
| 2006 | Douglas | R | \$822,262 | \$726,900 |
| 2006 | Parker | D | \$642,844 | \$602,620 |

Table 2: Average Spending and Revenues Democratic and Republican State Senate Candidates, 1994-2006

| Seats | | 1994 | 1996 | 1998 | 2000 | 2002 | 2004 | 2006 |
|-------|---------------|----------|----------|----------|----------|----------|----------|----------|
| 1 | Avg. Spending | \$4,229 | \$5,837 | \$5,766 | \$10,560 | \$20,356 | \$7,577 | \$6,335 |
| | Avg. Revenue | \$3,955 | \$4,936 | \$7,451 | \$11,076 | \$19,932 | \$10,981 | \$5,660 |
| 2 | Avg. Spending | \$4,057 | \$5,910 | \$5,827 | \$6,988 | \$12,606 | \$7,791 | \$8,719 |
| | Avg. Revenue | \$3,217 | \$4,976 | \$7,876 | \$8,063 | \$13,460 | \$8,757 | \$9,031 |
| 3 | Avg. Spending | \$6,152 | \$6,880 | \$8,122 | \$10,865 | \$14,528 | \$11,331 | \$11,433 |
| | Avg. Revenue | \$6,614 | \$5,304 | \$8,894 | \$11,002 | \$15,680 | \$14,733 | \$12,214 |
| 6 | Avg. Spending | \$9,380 | \$11,437 | \$10,192 | \$13,956 | \$15,255 | \$14,619 | \$13,427 |
| | Avg. Revenue | \$10,646 | \$9,219 | \$12,989 | \$12,045 | \$15,196 | \$17,197 | \$13,811 |

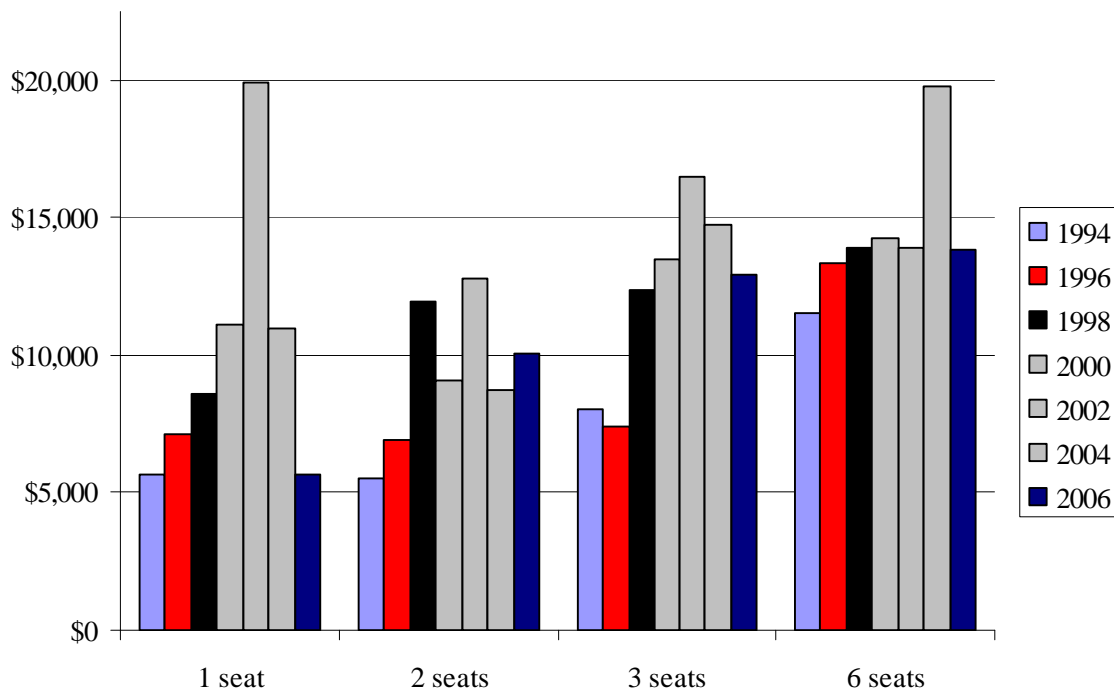


Figure 8: Average revenues for Democratic and Republican state senate candidates by number of seats in the district, 1994-2006 (gray bars represent elections held under \$300 per election cycle contribution limits).

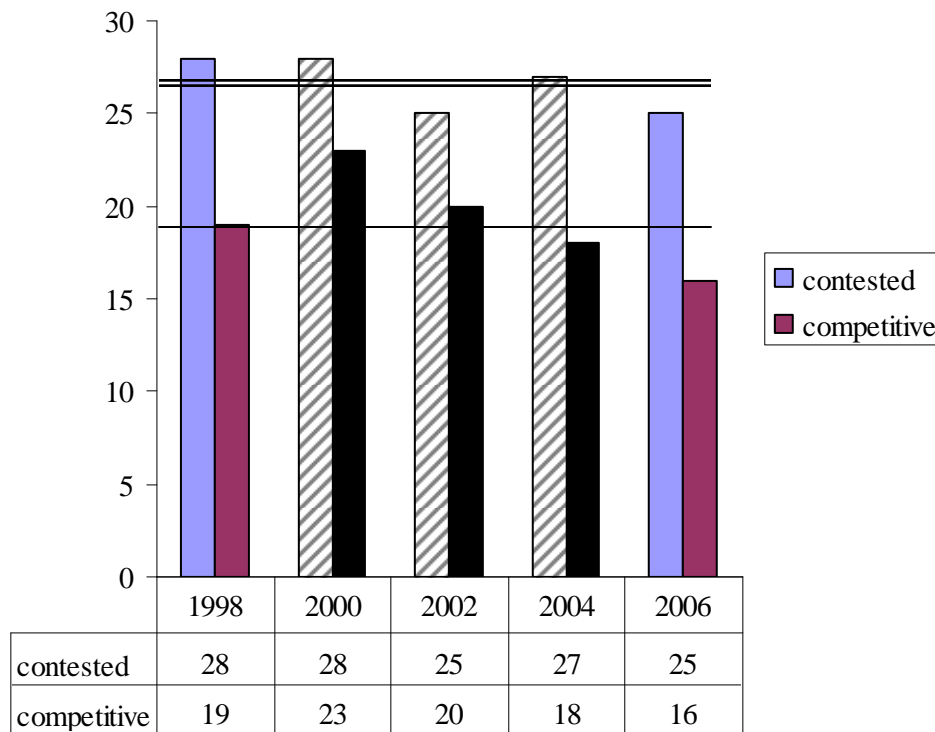


Figure 9: Number of contested and competitive state senate contests.

Note: A seat was counted as competitive if the margin of victory was within 10 percentage points. See Figure 2 for description of the margin calculations for multi-member districts.

The average number of contested seats over the time period was 26.6 (out of 30) and is represented by the double line cutting across the top of the graph. The average number of competitive seats over the time period was 19.2 and is represented by the single line cutting across the middle of the graph.

Black and striped bars identify the years the \$300 contribution limits were in place.

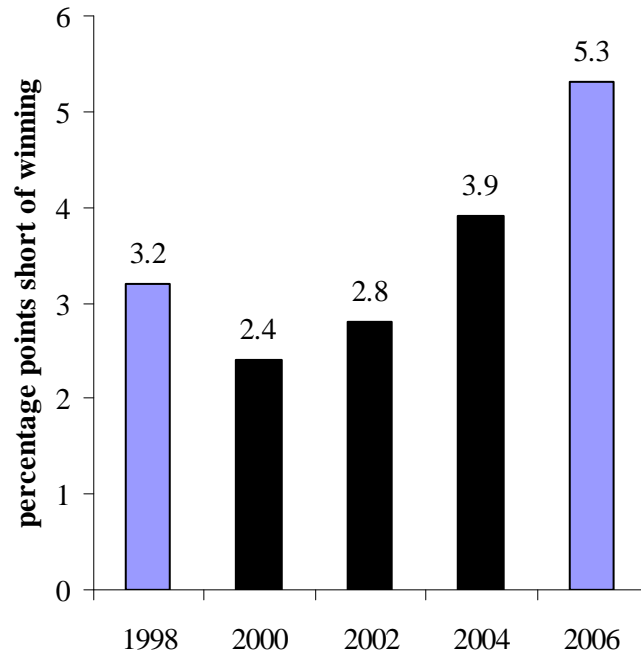


Figure 10: Average margin by which major party candidates lost in the Chittenden Senate County race. Black bars represent elections during which the \$300 contribution limits were in effect. Smaller numbers in the graph mean that the contests that year were, on average, more competitive (the margins of victory/defeat were closer).

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