

# Democracy North Carolina

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

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*The Judicial Campaign Reform Act of 2002 gives candidates for the N.C. Supreme Court and Court of Appeals a choice: They can raise campaign money the old-fashioned way, from private donors, or they can receive a competitive amount of “clean” campaign money from the Public Campaign Fund – if they voluntarily accept fundraising and spending limits and demonstrate broad support by gathering hundreds of donations from registered voters.*

### Broad Participation by Candidates

- **8 of the 12 candidates** for the NC Supreme Court and Court of Appeals enrolled and qualified for the program in the 2006 general election.
- Overall, **20 of the 28 candidates** (71%) for the NC Supreme Court and Court of Appeals enrolled and qualified for the program in the 2004 and 2006 general election.
- **5 of the 6 winners** in 2006 and 4 of the 5 winners in 2004 enrolled in the program.
- 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

\* **Winner**      \*\*\* 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 contributions of \$10-\$500 from at least 350 registered voters, during the primary period, adding up to between roughly \$35,000 and \$70,000. Candidates went well beyond the minimum, engaging a large number of people in judicial elections – voters who authorized their access to the Public Campaign Fund.*

- 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, Fund Now in Healthy Condition**

*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 for “rescue” funds, which was not tapped. In 2006, attorneys began paying a \$50 surcharge on their dues to the NC State Bar, which generates about \$1 million per year for the Fund. The \$3 check-off is on pace to bring in about \$1.2 million in calendar 2006, about the same as in 2005 and 15-20% more than in 2004.*

### **2-Year Income to the Public Campaign Fund, 2005-2006: About \$3.4 million**

- \$1.2 million transferred from the \$3 check-off in 2005 and \$1.2 million more in 2006.
- \$1 million from \$50 surcharge paid by attorneys in 2006. Attorneys gave very little in 2005.

### **2-Year Expenses of the Program, 2005-2006: About \$2.4 million**

- \$1.5 million awarded in May 2006 to 8 qualified candidates in the 2006 general election, ranging from \$144,500 (Court of Appeals) to \$216,650 (Supreme Court Chief Justice)
- \$155,000 awarded as additional “rescue funds” to candidate Sarah Parker, because her opponent (Rusty Duke) and outside groups exceeded the fundraising limit she had accepted.
- \$650,000 spent for printing and mailing 4 million Voter Guides in 2006 general election. A guide was not mailed to voters in the primary because of concerns about available money.
- About \$40,000 per year for administrative costs

## **Reduced Special-Interest Funding & Conflicts-of-Interest**

*One objective 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 figures below illustrate the success of the program in replacing a dependency on self-interested money with public-interest money.*

- Judicial candidates in the 2002 general election received 73% of their non-family campaign money from attorneys, special-interest PACs, and other political committees.
- This figure dropped to 14% for the candidates in the 2004 general election.

## **Challenge of 527 Committees & Other Issue-Advocacy Groups**

*In the final week of the 2006 campaign, a group organized under IRS section 527 spent about \$200,000 on ads promoting four Supreme Court candidates as “fair.” Because the ads avoided certain “magic words” of “express advocacy,” the State Board of Elections decided it could not award rescue funds to any publicly financed candidate opposed by the ads. The Board followed the law as written, but the law can be changed: Spending by a bogus “issue advocacy” group should count toward releasing rescue funds to eligible candidates. North Carolina should also adopt a broader definition for “express advocacy” in order to regulate bogus “issue ads” as campaign spending. Finally, the Board is investigating if FairJudges.net coordinated its activity with a political committee (namely the N.C. Democratic Party); if that’s the case, then it could be classified as a political committee, or an extension of one, and large fines could be imposed.*