From: <u>Nate Hix</u>

To: <u>Standards of Conduct</u>

 Subject:
 Testimony in Support of Clean Elections

 Date:
 Tuesday, June 28, 2022 1:11:11 PM

 Attachments:
 Testimony in Support of Clean Elections.pdf

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Aloha Commissioners,

Please find my testimony attached.

Mahalo,

Nate Hix

## Testimony to Commission to Improve Standards of Conduct Wednesday, June 29, 2022 2:00pm, Conference Room 309

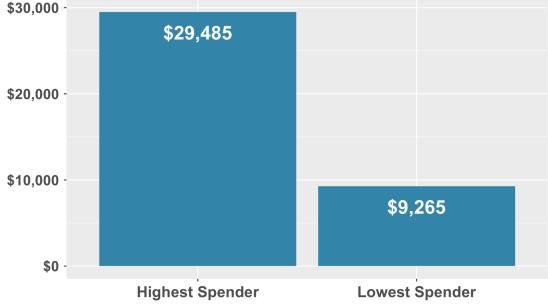
**Position:** In Support of Clean Elections

## Aloha Commissioners,

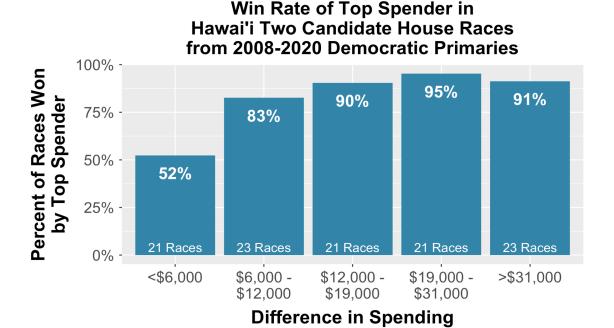
With three pay for play <u>scandals</u> hitting the <u>news</u> recently, we need to take the steps now to free ourselves from this corrupted <u>behavior</u>. We need to adopt fully publicly financed elections which are also called clean elections. Candidates should have the option of funding their campaigns using only public funds instead of private donations.

**Big Gap in Campaign Spending -** Hawai'i's current election system requires candidates to raise tens of thousands of dollars every few years to stay in office. Since 2008 in Democratic Primary House elections with two candidates, the average spent by the top spender was over \$29,000. The lower spender however spent just over \$9,000.



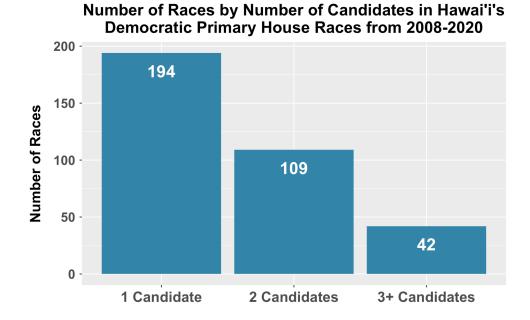


**Top Spending Candidates Win Easily -** Candidates that were able to outspend their opponents by \$6,000 or more won 90% of the time. However, in races where the candidates spent within \$6,000 of each other, the top spender won just over half the time. Unfortunately, spending was close in only 21 out of 109 two-candidate races.



**Most Elections are Uncontested** - The significant importance that spending has on the outcome of races combined with the difficulty for candidates to fundraise has resulted in most races being uncontested. Since 2008 there have been 194 races with only 1 candidate compared to 109 with 2 candidates and 42 races with 3 or more candidates.

**Between Both Candidates** 



**Implement Clean Elections -** Rather than being surprised or appalled every time an elected official acts on behalf of the donors who help keep them employed, we should instead be appalled at the campaign finance system that creates these dynamics in the first place.

The U.S. supreme court has ruled that campaign spending is free speech and Hawai'i cannot outright ban campaign donations, but we can create a system where candidates are not dependent upon these donations to win.

The 2010 and 2012 fully publicly financed system established for Hawai'i county candidates did just that. This program allowed candidates to receive all the funds they needed to run a competitive campaign. To participate in the program, candidates needed to get 200 signatures from supportive constituents along with a \$5 contribution from each. Candidates were also required to receive no private campaign donations at all. Candidates participating in the program were then free from potential influence from their campaign donors since they didn't have any.

Despite significant success and many legislators elected using this method, the program ended after 2012 due to a lack of funding. Over two elections, less than \$400,000 in total was spent by the program, yet state legislators decided not to provide the financial resources needed to keep it running. \$400,000 over a 4 year period is less than 0.0008% of the \$56 billion state budget from 2009-2012. This is a very affordable program.

**Expand the Program Statewide -** The total expenditures from all Hawai'i candidates statewide during an election cycle has averaged around \$16 million since 2012, with \$6 million of that coming from just the Gubernatorial and Honolulu Mayoral races.

If all of these candidates had the opportunity and chose to receive their funding from the state instead of private donors, it would cost the state less than \$8 million per year. This would be less than 0.05% of the \$15.9 billion state budget. \$8 million could be a rounding error for some line items.

This program can easily be paid for by the state and can free our elected officials from the influence of campaign donors. This will also allow more candidates to be competitive against incumbents, leading to more accountability. Please recommend Hawai'i join the other states that have adopted this successful model.