

To help increase public trust and confidence in U.S. elections, The Pew Charitable Trusts has invested over the last decade in nonpartisan efforts to reform the role unregulated soft money plays in campaigns and to increase public engagement in elections. We are pleased that our investment, along with that of many others, has helped inform the dialogue on this important issue and that our research and analysis has served as part of the foundation for measurable policy progress. Today, we continue to support work at the national and state levels to research and monitor the impact of campaign finance laws and explore opportunities to enhance public engagement at the state level.

THE STATE OF FEDERAL CAMPAIGN FUNDING IN THE 90'S

When we began our investment in this area in 1996, Americans were concerned about the health and legitimacy of our democratic process. For instance, a 1997 NBC/*Wall Street Journal* poll found 77 percent of respondents thought campaign finance reform was needed. Elected officials personally solicited millions of dollars in soft money contributions from corporations, labor unions and wealthy individuals – prompting the question of whether these contributions gave rise to the appearance of corruption in the legislative process. Campaign advertisements of unknown origin, placed with undisclosed funding, streamed onto U.S. television and radio.

THE WORK OF THE TRUSTS

To help respond to the situation, the Trusts has supported a wide range of nonpartisan organizations working on campaign finance reform, with an average annual investment of approximately \$4 million since 1996.

Federal: The Trusts' focus has been to support organizations that could: develop a body of research and data to fully understand the nature of the problem; communicate those findings to the public and policymakers; identify practical solutions; and monitor campaign finance laws and policies. Our work over the decade has included support for a range of partners, including the League of Women Voters Education Fund, Brookings Institution, American Enterprise Institute, Brigham Young University, Democracy 21 Education Fund, Campaign Legal Center, Center for Responsive Politics, Hudson Institute, Committee for Economic Development, the University of Wisconsin and more.

The body of nonpartisan research and analysis, funded by the Trusts and others, helped inform federal action. In 2002, the Congress passed, and President George W. Bush signed, the Bipartisan Campaign Reform Act (BCRA) and it was ultimately upheld by the U.S. Supreme Court. During the 2004 election, the first under BCRA, the new rules had a positive impact on national political parties and campaigns, breaking the nexus between soft-money donors and federal officeholders, candidates and parties. Also, the national party committees raised more money in 2004 than they raised in hard and soft money combined in either of the prior two election cycles, all while returning to grassroots fund-raising and increasing their donor rolls by more than a million people. The presidential campaigns also experienced breakthroughs in Internet fund-raising, yielding sharp increases in the number of small donors.

State: At the state level, our support has been used to evaluate the strength of laws, rules and practices designed to bring greater transparency to the funding of elections. The resulting reports and scorecards have prompted a number of states to strengthen finance and disclosure laws and improve the tools they use, such as Web sites, to share information with the public.

INTO THE FUTURE

The Trusts continues to support efforts to solidify progress made through the new national campaign finance system and, increasingly, to analyze state and local initiatives that could expand participation in the democratic process. Campaigns and elections are the primary means through which governments derive their authority and an entry point for citizens to participate in politics and public life, and a credible and effective system of campaign finance can significantly help increase citizens' confidence and engagement in the electoral process.

***THE PEW CHARITABLE TRUSTS: SERVING THE PUBLIC INTEREST THROUGH
INFORMATION, POLICY SOLUTIONS AND SUPPORT FOR CIVIC LIFE***