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Panel Highlights Need for Campaign Finance Reform in California

Leaders Discuss Ways to Change Current System

(February 16, 2005) – Building on momentum achieved when the California Assembly passed legislation earlier this month calling for publicly financed state and legislative campaigns, leaders of the state and national campaign finance reform debate met in San Francisco yesterday for an important forum on changing the way political campaigns are being financed.

The Committee for Economic Development (CED), the California Clean Money Campaign and The Greenlining Institute convened with key California reform proponents, including Assemblywoman Loni Hancock, author of the recent legislation, Senator Debra Bowen, Chair of the Senate Elections, Reapportionment and Constitutional Amendments Committee, and Bob Harris, Vice President of Environmental Affairs, of Pacific Gas & Electric Co., to discuss the critical need for election reform in California and nationally.

More than ever, change is necessary due to recent campaign finance scandals, the costly 2005 Special Election, and the widely-held public perception that state government is dominated by special interests. Hancock's legislation attempts to remedy these issues by enabling candidates who agree not to accept funding from special interests to receive public funding for their campaigns.

"California has long set the trend for national policies and campaign reform is no different," said Charles E.M. Kolb, President of CED. "Californians are debating important legislation that will change the way campaigns are being financed and serve as a model for others."

At the national level, CED, a Washington, D.C. based business-led research and policy organization, recently released a report, *Building on Reform: A Business Proposal to Strengthen Election Finance*, that calls for stricter finance measures in federal campaigns and provides recommendations to ensure that 527s that participate in federal elections are subject to the same limits that political parties are subject to in raising money. CED's plan would require all 527s that deal with federal elections to register as political committees with the FEC. In addition to tightening these regulations, CED proposes strengthening the FEC and improving presidential campaign finance.

As a leading national advocate for campaign finance reform, CED is mobilizing the business community to affect legislative reforms on the current campaign spending crisis. In fact, in an effort just underway by the organization, nearly 50 business leaders have already endorsed CED's plan, including nine Californians.

“In the current political environment, 527 organizations have replaced the parties as recipients of soft money. A recent poll tells us the vast majority of business leaders believe that these groups have a corrupting influence on the political process,” said Kolb. “It is clear the business community is tiring of this political shakedown and ordinary citizens are fed up with influential contributors high jacking the political process.”

Legislation introduced in Congress would significantly change the way campaigns are financed. The bill, sponsored by Reps. David Obey (D-WI) and Barney Frank (D-MA), provides for spending limitations and public financing for House of Representatives general elections. The Senate is poised to consider the legislation soon.

“Our campaign finance system needs to reflect the best values of American Patriotism: fair competition, spirited debate, and elections that are decided by voters, not just the donors,” said Kolb. “Reform efforts are already underway in Congress and in state houses across the country. It is time for change, and together, meaningful reform can be realized.”

More information on the CED's report, *Building on Reform: A Business Proposal to Strengthen Election Finance*, is available at www.ced.org.

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CED is a non-profit, non-partisan organization of more than 200 business leaders and university presidents. Since 1942, its research and policy programs have addressed many of the nation's most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all.