

Does Cleanliness Lead to Competitiveness? The Failure of Maine's Experiment with Taxpayer Financing of Campaigns

by Patrick Basham and Martin Zelder

Executive Summary

Although it is a state of only modest size and influence, Maine finds itself on the cutting edge of the national movement to restructure campaign finance through taxpayer financing of political candidates. On November 5, 1996, voters passed the Maine Clean Election Act by ballot initiative. That was the first piece of state or federal legislation to offer taxpayer financing to state-level candidates who voluntarily accept spending limits and refuse private contributions. The legislation applied to state senate and house candidates beginning with the 2000 primary and general election campaigns (and will apply to gubernatorial candidates beginning in 2002). November 2000's voting was the first test of this new campaign finance system, and the Maine legislature sworn in on December 6, 2000, comprised the first set of elected officials chosen under this system.

The adoption of taxpayer financing for the 2000 election did not result in a substantially more competitive election than occurred under private funding in 1998. Although enhanced electoral competition has been predicted as a result of clean election reforms, the evidence from Maine implies the opposite. Comparison of districts that had "clean" candidates in 2000

with those that did not indicates that the clean districts displayed no improvement on two of three measures of electoral competitiveness and actually performed far worse on a third.

Specifically, clean districts exhibited no difference in victory margins or in contestedness—the frequency with which candidates were unopposed—relative to "nonclean" districts. However, in the case of openness—the tendency of incumbents to run—clean districts were far more likely to have incumbents running in 2000 and far more likely to have switched from an open race in 1998 to one in which an incumbent was running in 2000.

An empirical analysis of the Maine election supports the following conclusions:

- The overall average margin of victory in both state senate and house races declined by a statistically insignificant margin.
- Races for open seats that featured government-financed candidates do not clearly show that taxpayer financing leads to more competitive elections.
- Despite limits on campaign spending by incumbents, the advantages of holding office were almost impossible to overcome.

The continuing political pressure in Massachusetts in favor of taxpayer financing draws considerable energy from the erroneous impression that Maine's taxpayer financing experiment has been successful.

Introduction

Although it is a state of only modest size and influence, Maine finds itself on the cutting edge of the national movement to restructure campaign finance through taxpayer financing of political candidates. On November 5, 1996, voters passed the Maine Clean Election Act by ballot initiative. That was the first piece of state or federal legislation to offer taxpayer financing to state-level candidates who voluntarily accept spending limits and refuse private contributions. The legislation applied to state senate and house candidates beginning with the 2000 primary and general election campaigns (and will apply to gubernatorial candidates beginning in 2002).

November 2000's voting was the first test of this new campaign finance system, and the Maine legislature sworn in on December 6, 2000, comprised the first set of elected officials chosen under this system. Unquestionably, as Dan Harris reported, "Maine is now engaged in an electoral experiment."¹ The success or failure of Maine's experiment may significantly influence the fortunes of comparable campaign finance restructuring efforts at both the state and federal levels.

The continuing political pressure in Massachusetts in favor of taxpayer financing draws considerable energy from the erroneous but widespread impression that Maine's taxpayer financing experiment has been successful.² After a single election cycle, Glenn Cummings, a member of the Maine House of Representatives, and Ed Youngblood, a member of the Maine State Senate, pronounced that "there was a lot more competition for office."³ Ellen S. Miller, a prominent supporter of taxpayer financing, forecast that "Maine's success will make that state a beacon for others."⁴ According to the Richard M. Neustadt Center for Communications in the Public Interest, "The Maine Clean Election Act is now a model for ballot and legislative initiatives in other states, and is being watched closely by observers around the country."⁵ The lobbying group Public

Campaign, the leading national advocate for Maine-style campaign finance regulation, says, "Maine is the good news political story in a year of record-breaking fundraising."⁶ Assessing the Maine elections, Nick Nyhart, Public Campaign's executive director, declared:

We are extremely pleased with the way the system worked. It . . . leveled the playing field, freed candidate time to talk to the voters, encouraged qualified people to run and improved the debate. These laws show the nation what comprehensive campaign finance reform can, and should, look like.⁷

The taxpayer financing experiment in Maine is clearly a critical component of a larger strategy on the part of advocates of campaign finance regulation. According to journalist Robert Dreyfuss:

Part of the rationale for advancing reform in the states is that ultimately the movement will have an impact in Washington. If enough states can implement Maine-style reforms, and if those reforms take effect without the collapse of civilization, gradually the idea will gain favor in Congress.⁸

Hence, the *Boston Globe* argues that the so-called Maine plan should serve as a "blueprint" for national campaign finance regulation.⁹

Over the past 28 years, 51 campaign finance-related initiatives, referenda, and constitutional amendments have appeared on state and local ballots. Forty-one of those ballot measures have been successful. By early 1997 at least 10 states had a full taxpayer financing proposal either being considered by the legislature or en route to the electorate via a ballot initiative. In June 1997 the Vermont legislature passed a Maine-style regulation. The good news for supporters of taxpayer financing continued apace: in November 1998 two taxpayer financing ini-

tiatives won at the ballot box. In liberal Massachusetts, voters (by a two-to-one margin) approved a “clean money” initiative modeled on the Maine and Vermont legislation; meanwhile, the more libertarian Arizona electorate approved a comparable campaign finance plan involving taxpayer financing, in the form of Proposition 200, by a narrow 51 to 49 percent margin. For the clean money movement those were auspicious developments.

The 2000 elections brought the taxpayer financing winning streak to an end. On November 7, 2000, two clean money ballot initiatives lost badly at the polls. In Missouri a proposition lost by 65 to 35 percent, while Oregon’s analogous referendum was defeated by 59 to 41 percent.

Consequently, a turning point has been reached in the struggle over taxpayer financing at the state level. Proponents of taxpayer financing see Maine and other states as experiments that will lead to taxpayer financing of congressional elections. Reflecting on the voting in Maine, one pro-regulation commentator observed: “To be parlayed into success nationally, the state laws must work as demonstrations. Here the evidence, although hardly definitive, is encouraging.”¹⁰

Voters, however, seem less convinced of the virtues of funding campaigns from the public purse, although no clear trend has emerged in state initiatives. In this context, the actual consequences of Maine’s experiment become vitally important. Unfortunately, advocates provide little, if any, empirical evidence to support the accolades for Maine’s recent electoral experience. The empirical evidence presented in this paper indicates that taxpayer financing in Maine has not lived up to the expectations of its proponents.

This study provides a detailed and rigorous statistical assessment of Maine’s 2000 and 1998 elections to answer the following questions:

- Was Maine’s first taxpayer-funded election in 2000 more competitive than the last privately funded election of 1998?

- Did taxpayer financing increase the competitiveness of primary elections?
- What influence did incumbency have on the competitiveness of the election results?
- What influence did term limits have on the competitiveness of the election results?
- What was the impact of taxpayer financing on the participation of independent and minor party candidates?
- What are the lessons of Maine’s taxpayer financing experiment for other states and for Congress?

The Campaign for Taxpayer Financing

Impetus for the Maine Clean Election Act arose in part because the cost of campaigning in Maine has increased in the past two decades. Advocates of taxpayer financing of state elections asserted that rising campaign costs led to noncompetitive campaigns. As evidence, they pointed out that as recently as 1992, 31 percent of primaries were contested; by 1996, that figure had fallen to 22 percent. Regulators argued that the decrease was directly attributable to the onerous necessity of fundraising among family, friends, constituents, and special interest groups.¹¹

Although campaign restructuring activists agreed on the nature of the problem, Maine’s politicians were not convinced. Over a period of several years, the legislature defeated more than 40 campaign finance regulation bills. Advocates of taxpayer financing decided to circumvent the legislature and put the issue directly to the people in a ballot initiative in 1996.¹²

Maine voters supported the MCEA proposal by a 56 to 44 percent margin. According to Democratic pollster Mark Mellman, the appeal of the clean money campaign was its very simplicity.¹³ However, that simplicity should not be confused with a simplistic political marketing plan. Remarking on the sophisticated campaign that prompted passage of the MCEA, Robert Dreyfuss recounts:

The empirical evidence presented in this paper indicates that taxpayer financing in Maine has not lived up to the expectations of its proponents.

This restructuring plan might be characterized as welfare for politicians.

To make the idea more palatable to voters . . . Public Campaign and its allies—after conducting polls and focus groups and consulting with spin doctors—poured the old wine of public financing into the new bottle of the “Clean Money Option.” Public Campaign has chosen to emphasize the result . . . rather than the mechanism, and to present its proposal as bold and sweeping. Partly as a result of these tactics, solid coalitions of citizen groups have emerged from the states.¹⁴

Arguably, the ballot initiative succeeded only because organized opposition was nonexistent. Few voices pointed out, for example, that taxpayers’ dollars would be spent on political campaigns that most taxpayers do not support, that extremists and fringe candidates could qualify for taxpayer financing, and that this restructuring plan might be better characterized as nothing more than welfare for politicians. An advocate of taxpayer financing uninvolved in the Maine campaign noted:

In Maine . . . there was no organizational opposition, literally nobody on the other side. . . . Plus, Maine is a good-government state, and they had a lot of prominent people saying that they were for it. And with all that, they only got 56 percent.¹⁵

How Does the MCEA Work?

Maine’s system funds all qualifying candidates, regardless of party affiliation or lack thereof: “political party membership (or non-membership) is not a factor in determining whether a certified candidate receives taxpayer financing to finance an election campaign.”¹⁶ To be eligible for taxpayer financing, a candidate must raise a number of \$5 “qualifying contributions” from registered voters in his or her own district. At the outset

of the campaign, each tax-funded candidate is allowed to raise a modest amount of seed money from private sources to assist in raising the necessary qualifying contributions (at least 50 for house candidates, at least 150 for senate candidates, and at least 2,500 for gubernatorial candidates). According to the *Candidate’s Guide to the Maine Clean Election Act*:

Depending upon the office the candidate is seeking, he or she may accept limited contributions from private sources for a limited time and for a limited purpose. No single contribution may exceed \$100 per individual (including the candidate and the candidate’s family), and the total amount of “seed money contributions” a candidate may accept is limited to \$500 for candidates for State Representative, \$1,500 for candidates for State Senate, and \$50,000 for gubernatorial candidates.¹⁷

In return, the candidate receives a fixed sum of taxpayer money and agrees not to raise any private money during the primary or general election campaigns.

In 2000, qualifying candidates received taxpayer financing equivalent to 75 percent of the average amount spent by candidates in their districts during the past two campaigns (1996 and 1998). If a tax-funded candidate is being outspent by a privately funded candidate, “the Act anticipates that possibility and provides a mechanism—called ‘matching funds’—for the certified candidate to try to stay financially competitive with the opposing nonparticipating candidate.”¹⁸ The tax-funded candidate will receive additional dollar-for-dollar (so-called equalizing) funds “equivalent to the amount reported as excess by the nonparticipating candidate.”¹⁹ In Maine, the additional funding is “limited to two times the amount originally distributed.”²⁰

The law restricts how tax-funded candidates may spend the public funds: as the campaign guide notes, “Revenues from the MCEA fund

must be used for campaign-related purposes. The Commission will establish and publish guidelines outlining permissible campaign-related expenditures."²¹ Under a system of taxpayer financing, therefore, the state government, not the individual candidate, has the final word on how candidates conduct their campaigns.

Nonparticipating candidates may continue to raise money privately or to use their own financial resources to fund their campaigns. However, the MCEA caps private contributions at just \$250 per donor for legislative candidates and \$500 for gubernatorial candidates who decline taxpayer financing. Such restrictions encourage candidates to accept taxpayer financing by making it harder to raise private money. More broadly, they raise serious constitutional questions under the free speech guarantee of the First Amendment to the U.S. Constitution.

The Cost of Clean Money

Maine's new campaign finance system is certainly not cheap. In mid-1998 MCEA was projected to cost Maine taxpayers \$2.4 million annually. The most recent analysis, however, suggests that the actual cost for 2000 was more than \$3 million. Taxpayers foot most of the bill for the MCEA. The official sources are listed below—only the first three provide significant amounts of money.²²

- state income and sales taxes (\$2 million annual contribution)
- voluntary tax return check-off of \$3 per taxpayer (\$750,000 collected in 2000)
- \$5 qualifying contributions (\$150,000 collected in 2000)
- higher lobbyist registration fees
- unspent seed money contributions
- unspent MCEA funds after unsuccessful primary campaign, all general election campaigns, and all candidate withdrawals
- penalties (late report filings and any MCEA-related civil fines)
- voluntary donations

Clean Money and the Courts

When passed, the MCEA was challenged in federal court in separate suits by the American Civil Liberties Union, which has opposed a variety of campaign finance regulation proposals on First Amendment grounds, and the National Right to Life Committee.²³ The ACLU challenged the constitutionality of the taxpayer funding provision as well as the lower contribution limits, the qualifying contributions, and the increased lobbyists fees; the National Right to Life Committee challenged the constitutionality of the matching funds provision and the contribution limits.

The MCEA's authors anticipated constitutional objections. Its supporters argued that participation in the MCEA is *voluntary* and thus consistent with the U.S. Supreme Court's 1976 *Buckley v. Valeo* decision, which found that *mandatory* spending limits violated the First Amendment right to free speech. The *Buckley* majority said voluntary taxpayer financing (such as the current presidential campaign funding system) passed constitutional muster.²⁴

In November 1999, Federal District Judge D. Brock Hornby upheld the constitutionality of one MCEA provision: taxpayer financing to those candidates who abide by spending limits and agree not to take private funds.²⁵ Hornby found that a voluntary campaign funding system benefits both candidates and the public by expanding political speech. At that time, he did not rule on another aspect of the legal challenge—the constitutionality of the lowered contribution limits applicable to privately funded candidates—leaving unanswered the question of how far contribution limits can be lowered before they are considered an unconstitutional restraint on speech. The U.S. Supreme Court had previously accepted \$1,000 contribution limits while lower courts had rejected most \$100 contribution limits.

In January 2000, Hornby upheld \$250

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contribution limits for candidates for the Maine state legislature.²⁶ He rejected the plaintiffs' free speech arguments, writing that the contribution limit "significantly reduces the potential threat for actual corruption from large contributions and . . . the appearance of corruption." With this decision, along with his November 1999 ruling, Hornby affirmed the constitutionality of all aspects of the MCEA, and the state of Maine proceeded with its new system of taxpayer-funded campaigns.

The Competitiveness of Maine's 2000 Elections—Overview

Contrary to media reports and the self-congratulatory proclamations of special interest groups, the MCEA did not result in a substantially more competitive election in 2000 than took place under private funding in 1998.

Assessing the competitiveness of Maine's 2000 elections is a complex task. The pronouncements about a "more competitive" 2000 election lack empirical content, let alone specificity. Following the arguments and assumptions of campaign finance activists, we took the 1998 election results as our pre-MCEA baseline and, breaking down

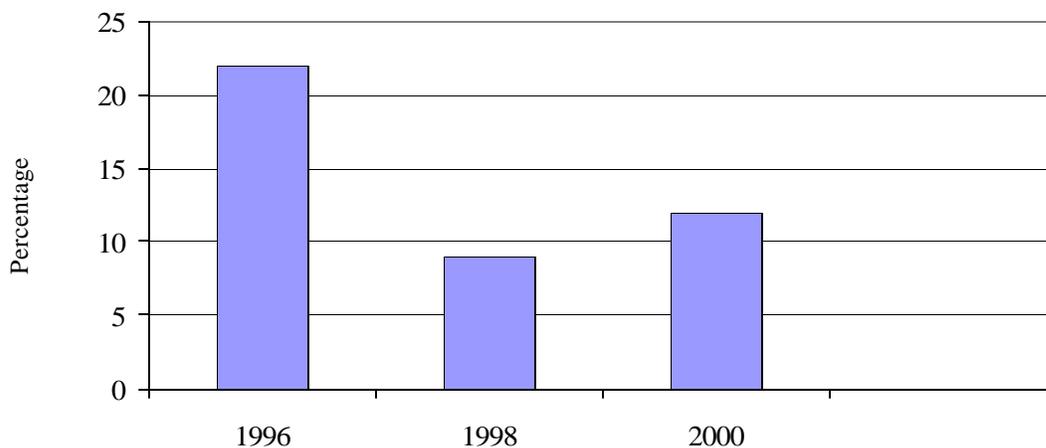
the 2000 election results in a number of ways, performed a series of comparisons that assessed whether or not the 2000 election was more competitive than the 1998 election.

Specifically, whether districts with at least one clean election candidate (labeled clean districts) had more competitive races in 2000 can be assessed by statistical comparison of electoral characteristics such as victory margins, the frequency with which candidates were opposed (contestedness), and the frequency with which incumbents were in the race (openness). If the use of clean election rules led to greater competition, that should be manifested in narrower margins, fewer unopposed candidates, and fewer incumbents running.

Primary and Electoral Participation, 1998–2000

As evidence of increased competitiveness, Public Campaign and other advocates of taxpayer financing cited an alleged 40 percent increase in the number of contested primaries in 2000.²⁷ As Figure 1 shows, there was indeed a marginal improvement in the number of contested primaries. In 2000, there were 12 contested primaries, an increase of 3 over the number contested

Figure 1
Contested Primary Campaigns (1996–2000)



Source: State of Maine

Table 1
Districts with Clean Elections Candidates, Number and Percentage (%), 2000

	House	Senate	Combined
Districts with 0	53 (35.1%)	10 (28.6%)	63 (33.9%)
Districts with 1 or 2	98 (64.9%)	25 (71.4%)	123 (66.1%)
Districts with 2	18 (11.9%)	10 (28.65)	28 (15.1%)
	n=151	n=35	n=186

under private funding in 1998. Of course, in proportional terms the 33.3 percent (not 40 percent) increase may appear impressive. However, it is useful to compare the experience of prior elections. The privately financed campaigns of 1996, for example, produced 83 percent more contested primaries than the “competitive” taxpayer-financed campaigns of 2000. That suggests that the type of financing—taxpayer or private—does not decisively influence the number of competitive primaries in Maine.

More extensive evidence is provided by analysis of general election results from 1998 and 2000. Table 1 details the extent of candidate participation in the taxpayer financing system. The majority of Maine districts featured at least one clean candidate in 2000; 65 percent of house districts (98 of 151) had at least one clean candidate, as did 71 percent (25 of a total of 35) of senate districts. Among these clean districts, only a minority in either chamber involved two clean candi-

dates—in the house, 18 of 98 districts (18 percent) had two such candidates, while in the senate, 10 of 25 (40 percent) featured a pair of clean opponents.

Overall, 33 percent of all candidates for senate and house seats chose the taxpayer financing option, and 27 percent of incumbents volunteered to run under the new system. There was a considerable difference in participation rates between the two major parties. Statewide, 43 percent of Democratic Party candidates chose taxpayer financing, while fewer than one in four Republican Party candidates chose it. There was also an important difference between senate and house candidates, regardless of party affiliation. Almost half of all senate candidates, but fewer than 30 percent of house candidates, chose the taxpayer financing option.

More than 70 percent of the races in the 35-seat state senate featured at least one taxpayer-funded candidate (Table 2). Almost 50 percent of senate candidates chose the tax-

The privately financed campaigns of 1996 produced 83 percent more contested primaries than the “competitive” taxpayer-financed campaigns of 2000.

Table 2
Candidate Participation in the MCEA, 2000

Number of Seats with MCEA Candidate	Percentage of All Seats (35)	Percentage of MCEA Candidates	All Candidates
Senate: 25 (of 35)	71.4	35	48.6
House: 63 (of 151)	41.7	81	28.9

Source: Authors’ calculations.

The results for independent and minor party candidates did not improve between 1998 and 2000.

**Table 3
Independent and Minor Party Candidates, 1998 and 2000**

	Independent/Minor Party Candidates		Three-Way Races		Independent/ Minor Party Wins	
	2000	1998	2000	1998	2000	1998
Senate	4	5	3	3	1	1
House	25	12	11	8	1	1

Source: Authors' calculations.

payer financing option. Hence, the senate elections provide a sound basis for analyzing the impact of the MCEA on competitiveness. A little more than 4 of every 10 races for the 151-seat state house had at least one taxpayer-funded candidate, and just over one in four house candidates chose the taxpayer financing option (Table 2). Although less proportionally influential than their senate counterparts, these candidates for the house were sufficiently numerous to provide a second important source of data for analyzing the MCEA's impact on the competitiveness of the state's electoral process.

Remarkably, fewer than one in five minor party and independent candidates chose taxpayer financing, a smaller fraction than found for major party candidates. This contravenes the assertion that the ordeal of private fundraising bars minor party candidates. If the assertion were correct, the allure of free (that is, taxpayer-subsidized) campaigning would surely release considerable pent-up demand among the allegedly underfunded and unheard voices of grassroots Maine politics. Clearly, this anticipated democratic deluge did not materialize.

We also compared the number and electoral success of independent and minor party candidates in 1998 and 2000 (Table 3). Despite the lure of a free electoral ride, courtesy of taxpayer financing, the number of independent and minor party candidates for senate seats actually fell from five in 1998 to four in 2000. The situation was different,

however, in the house, where the number of independent and minor party candidates rose from 12 in 1998 to 25 in 2000. However, 6 of the 13 additional independent and minor party candidacies were courtesy of the state Libertarian Party, and none of them accepted taxpayer financing. The number of three-way races for house seats also increased from 8 to 11 (of 151 seats) between 1998 and 2000; in the senate, the number of three-way races remained the same—just 3 of 51. Furthermore, the results for independent and minor party candidates did not improve between 1998 and 2000. In the senate, one independent candidate was victorious in both 1998 and 2000; in the house, the number was also just one in both elections.

Electoral Trends, 1998–2000

Beyond mere electoral participation, the central issue to be considered is the effect of the MCEA on electoral outcomes. Before specifically comparing results for clean and nonclean districts, it is instructive to examine general shifts in the pattern of results between 1998 and 2000. This comparison reveals that, although there was little change in margins or in the frequency of unopposed candidates, the likelihood that incumbents were running rose dramatically between 1998 and 2000. With regard to margins of victory, Table 4 indicates that for all races (including those in which the candidate was

Table 4
Average Margin of Victory (%), 1998 and 2000

	All Races			Contested Races		
	House	Senate	Combined	House	Senate	Combined
1998	40.4	35.1**	39.4	21.8	23.9	22.3
200	38.9	24.2**	36.1	20.2	20.9	20.4
	n=151	n=35	n=186	n=94	n=29	n=123

Note: “**” indicates that 1998 and 2000 margins are significantly different at the 5 percent level.

Table 5
Unopposed Incumbents

Chamber	Unopposed Incumbents	
	2000	1998
Senate	1	5
House	32	34

Source: Authors’ calculations.

Table 6
Term Limits and Unopposed Incumbents, 2000

Chamber	Newly Competitive Seats As a Result of Term Limits
Senate	2
House	4

Source: Authors’ calculations.

unopposed), the average margin for the combined sample (house and senate) fell by 3.3 percent between 1998 and 2000, but that change was not statistically significant. Within this overall result, house margins fell by 1.5 percent (also insignificant), and senate margins fell by 10.9 percent (significant at the 5 percent level). When only contested races (races from either year with an unopposed candidate were excluded) were analyzed, the reduction in margins was insignificant in all three cases, including the senate.

We also compared the number of incumbents who ran unopposed in the two elections. As shown in Table 5, in 2000 only one state senator ran unopposed, four fewer than in 1998. In the state house, 34 representatives ran unopposed in 1998; in 2000, the number fell by just 2 to 32. Is this an indication of a more competitive electoral environment? Perhaps, but not for the reason articulated by advocates of taxpayer financing. Table 6 reveals that, in fact, two of the four newly competitive senate seats resulted from term

Two of the four newly competitive senate seats resulted from term limits coming into effect in 2000, while four of the newly competitive house seats were term limited.

While more than three-quarters of 1998 races did not involve an incumbent, more than 80 percent of 2000 races did.

Table 7
Percentage of Unopposed Candidates (%), 1998 and 2000

	House	Senate	Combined
1998	22.5	14.3**	21
2000	21.2	2.9**	17.7
	n=151	n=35	n=186

Note: “**” indicates that the 1998 and 2000 percentages are significantly different at the 5 percent level.

Table 8
Percentage of Open Seats (%), 1998 and 2000

	House	Senate	Combined
1998	77.5***	88.6***	79.6***
2000	12.6***	17.1***	13.4***
	n=151	n=35	n=186

Note: “***” indicates that the 1998 and 2000 percentages are significantly different at the 1 percent level.

limits coming into effect in 2000, while four of the newly competitive house seats were term limited.

Table 7 shows that the frequency with which districts featured races with only one candidate did not change significantly in the house (falling from 22.5 to 21.2 percent), although the drop in unopposed candidates from 14.3 to 2.9 percent was significant in the senate. This significant change in the senate is not surprising, given the margin results discussed above. Significantly closer margins across all senate races in 2000, but not in contested races, imply that the overall margin reduction was driven by the substantial reduction in single-candidate races.

The one general statistically significant change between 1998 and 2000 involved the frequency with which seats were open (that is, the frequency with which incumbents chose not to run). This fell dramatically in both the house and senate during this two-year interval (Table 8), dropping from 77.5 to 12.6 percent in the house and from 88.6 to 17.1 percent in the senate. In other words, while more than three-quarters of 1998 races

did not involve an incumbent, more than 80 percent of 2000 races did.

Statistical Analysis of Electoral Competition in 2000

This general examination of electoral trends in Maine does not directly address, however, the impact of the MCEA. To address this impact directly, statistical comparisons can be made that control for whether or not a district was clean. This section describes a statistical analysis that evaluates how electoral competition in 2000 differed in clean and nonclean districts.

Consider first how margins in the 2000 election compared in clean and nonclean districts (Table 9). Although no significant difference in margins between clean and nonclean districts was found when the full sample of contested and uncontested races was studied, an intriguing finding arose in the analysis of contested races. Specifically, a focus on only those districts with contested races in 2000 revealed that mar-

Table 9
2000 Margin (%), Clean and Nonclean Districts

	All Races			Contested Races (in 2000)		
	House	Senate	Combined	House	Senate	Combined
Nonclean	34.1	18.5	31.7	18.8*	18.5	18.8**
Clean	41.4	26.5	38.4	24.5*	23.5	24.2**
	n=151	n=35	n=186	n=119	n=34	n=153

Note: “***” indicates that the “nonclean” and “clean” margins are significantly different at the 5 percent level; “**” indicates that they differ at the 10 percent level.

gins in contested house races were 19.1 percent higher in clean districts than in nonclean ones, a difference significant at the 10 percent level. Although the analogous difference in margins for the senate, 5.0 percent, was insignificant, the 5.2 percent difference for the full sample was significant at the 5 percent level. In other words, in 2000 clean districts exhibited dramatically higher margins in the house and higher margins overall.

In addition, the likelihood of an election featuring a single candidate was unaffected by the MCEA. In fact, in 2000, a *higher* proportion of candidates in clean districts than in nonclean districts ran unopposed in both the house and the senate, although only the difference in the Senate was statistically significant (Table 10).

Finally, clean and nonclean districts can also be compared with regard to the percentage of districts with open seats, or districts in which incumbents were not running in 2000

(Table 11). Whereas 35.8 percent of house seats in nonclean districts were open in 2000, 0 percent of house seats in clean districts were, a statistically significant difference. While a smaller proportion of senate races were open in clean than in nonclean districts (7.5 vs. 13.3 percent), this difference was insignificant. In the combined house-senate sample, however, the difference in openness (33.3 percent in nonclean districts compared to 3.3 percent in clean districts) was significant.

The above results imply that clean districts were significantly different from their nonclean counterparts in terms of two important electoral outcomes in 2000: average margin and likelihood of an incumbent to run. In both cases, however, the difference is contrary to the effect predicted by the supporters of the MCEA. The evidence for 2000 indicates that clean districts had higher margins and were more likely to have incumbents running than nonclean districts.

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Table 10
Percentage of Seates Unopposed in 2000 (%), Clean and Nonclean Districts

	House	Senate	Combined
Nonclean	18.9	0.0***	15.9
Clean	22.4	4.0***	18.7
	n=151	n=35	n=186

Note: “***” indicates that the “nonclean” and “clean” percentages are significantly different at the 1 percent level.

If the significantly wider margins found in the house and overall in clean districts in 1998 were a byproduct of those districts being less competitive to begin with, those margins should have been significantly wider in 1998.

Table 11
Percentage of Open Seats in 2000 (%), Clean and Nonclean Districts

	All Races			Contested Races (in 1998)		
	House	Senate	Combined	House	Senate	Combined
Nonclean	35.8***	13.3	33.3***	31.7***	22.2	30.0***
Clean	0.0***	7.5	3.3***	0.0***	14.3	3.1***
	n=151	n=35	n=186	n=117	n=30	n=147

Note: “***” indicates that the “nonclean” and “clean” percentages are significantly different at the 1 percent level.

Statistical Analysis of the Change in Electoral Results between 1998 and 2000

Such evidence may be misleading, though, in that it may be that clean districts had wider margins and more entrenched incumbents to begin with (a common claim) and differed in other characteristics as well. To address this concern, we must perform a simple statistical analysis to examine both how clean and nonclean districts differed in electoral outcomes in 1998 and how outcomes changed between 1998 and 2000, as well as conduct regression analysis to control for other relevant differences across districts.

Victory Margins

If the significantly wider margins found in the house and overall in clean districts in 1998 were a byproduct of those districts

being less competitive to begin with, then those margins should be significantly wider in 1998. The evidence, however, does not support this hypothesis (Table 12). Averaged across both uncontested and contested elections, there was no significant difference in 1998 margins between clean and nonclean districts. When only contested elections are analyzed, however, clean senate districts exhibit margins that are *almost* significantly higher ($p = .1001$, just short of conventional significance at 10 percent), with a measured difference of 10.1 percent (27.4 percent in clean districts, 17.3 percent in nonclean districts). For the combined house-senate sample, the 4 percent difference in 1998 margins is again almost significant at the 10 percent level ($p = .1086$). This evidence indicates, then, that in 1998 margins in house races in clean districts were not significantly higher than those in nonclean districts, implying

Table 12
1998 Margin (%), Clean and Nonclean Districts

	All Races			Contested Races (in 1998)		
	House	Senate	Combined	House	Senate	Combined
Nonclean	39.3	25.6	37.1	21.5	17.3	20.7
Clean	41.1	39	40.7	24.0	27.4	24.7
	n=151	n=35	n=186	n=117	n=30	n=147

Table 13
Average Change in Margin of Victory (%) between 1998 and 2000, Clean and Nonclean Districts

	All Races			Contested Races (1998 and 2000)		
	House	Senate	Combined	House	Senate	Combined
Nonclean	-5.1	-7.0	-5.4	-2.6	-0.9	-2.3
Clean	0.4	-12.5	-2.2	-0.9	-3.9	-1.7
	n=151	n=35	n=186	n=94	n=29	n=123

Table 14
Regression Analysis of Impact of Clean Election Law on Margins in 2000

Dependent variable: 2000 Margin

Independent Variables	All Races			Contested Races (in 2000)		
	House	Senate	Combined	House	Senate	Combined
1998 margin	0.16***	0.22***	0.16***	0.19***	0.22***	0.19***
Unopposed	75.25***	73.59***	75.18***	-----	-----	-----
Open	-6.88*	-5.38	-6.03*	-7.66*	-5.38	-6.58
Clean	2.08	-0.18	2.76	2.74	-0.18	3.31
Term limits	-1.41	-14.98**	-5.18*	-1.93	-14.98**	-6.19*
House	-----	-----	-0.62	-----	-----	-0.83

Note: "*" indicates that the regression coefficient is significant at the 10 percent level, "***" indicates that the coefficient is significant at the 5 percent level, "****" indicates that the coefficient is significant at the 1 percent level, and "-----" indicates that the variable was not included in the regression.

that the difference found for 2000 reflects the impact of the MCEA.

More direct analysis of this issue can be achieved through examination of how the change in margins between 1998 and 2000 differs for clean and nonclean districts. Table 13 presents these margin changes for both types of districts, for all races and for only those that were contested. It indicates that while house margins fell by a *larger* amount in nonclean districts (they even rose by 0.4 percent when averaged over both uncontested and contested house races), this difference was not statistically significant. Similarly, although the senate margin reduction was greater in clean districts, it, too, was not significant. Finally, although margin reductions in nonclean districts were larger than those in clean districts in the com-

bined house-senate sample, the difference was insignificant.

Of course, this analysis evaluates the impact of the MCEA in only a crude way, in that it assumes other factors that might affect margins are held constant. Thus, it is necessary to elaborate on these results by *actually* holding constant other relevant factors via regression analysis. With regard to margins, there are two ways to accomplish this: regressions examining effects on the margin in 2000, holding constant the 1998 margin and other variables, and regressions examining effects on the change in margins between 1998 and 2000.

These results generally confirm the prior findings from the simple statistical analysis. Consider Table 14, which contains the results of the regressions in which the 2000 margin is

Districts with term limits laws had smaller margins in 2000, a result driven by the senate outcomes, where districts with term limits had margins 15 percent below those without such limits.

Although the MCEA did not narrow margins or enhance competition more generally, the data suggest that, overall, term limits were relatively effective in doing so.

Table 15
Regression Analysis of Impact of Clean Election Law on Change in Margin between 1998 and 2000

Dependent variable: Change in margin (2000 margin minus 1998 margin)

Independent Variables	All Races			Contested Races (in 2000)		
	House	Senate	Combined	House	Senate	Combined
Unopposed change	70.05***	66.68***	69.79***	-----	-----	-----
Open change	D	-6.43	-2.73	-----	-8.87	-4.32
Clean	3.17	-4.68	4.44	2.08	-1.62	4.78
Term limits	-2.07	-11.51*	-4.17	-2.92	-11.78*	-6.01
House	-----	-----	1.98	-----	-----	0.78

Note: “***” indicates that the regression coefficient is significant at the 1 percent level, “D” indicates that the variable was dropped because it was perfectly correlated with another independent variable, and “-----” indicates that the variable was not included in the regression.

the dependent variable. These combined results indicate that clean districts had neither higher nor lower margins in 2000 than did nonclean districts, controlling for the 1998 margin, regardless of whether the candidate was unopposed, whether the seat was open, whether the district was covered by a terms limits law, or whether the seat was in the house or senate. Seats with higher 1998 margins, and those that were uncontested in 2000, exhibited higher 2000 margins, while those that were open in 2000 displayed lower margins. Districts with term limits laws had smaller margins in 2000, a result driven by the senate outcomes, where districts with term limits had margins 15 percent below those without such limits. Term-limited house districts exhibited an insignificant effect. Analysis of the subset of elections that were contested yielded similar results.

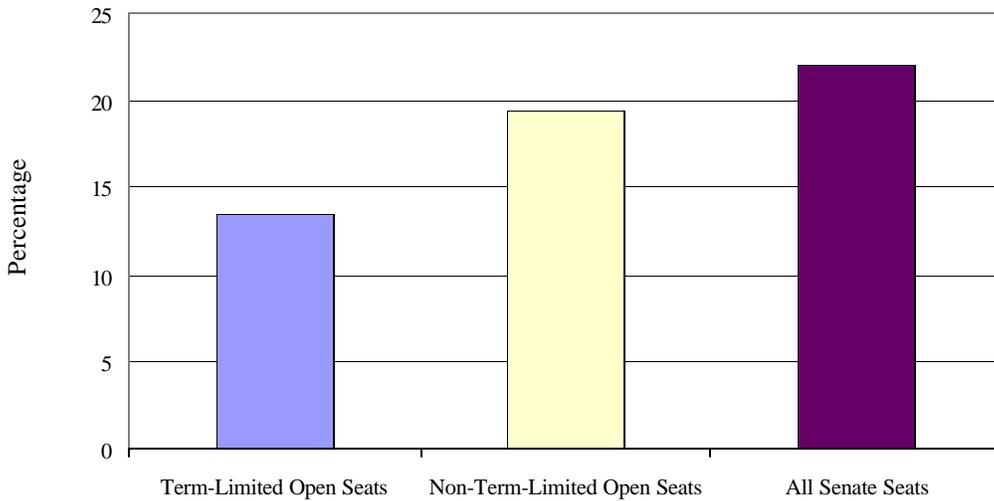
Related regression analysis, in which the change in margins between 1998 and 2000 was used as the dependent variable, revealed similar results (Table 15). Again, clean election districts appeared no different from nonclean ones; the change in margin between 1998 and 2000 was neither smaller nor larger in clean than in nonclean districts. Margins were increased, however, in districts that switched from having two candidates in 1998 to a single candidate in 2000.

Finally, senate districts with term limits experienced an 11.5 percent reduction in margins between 1998 and 2000. Again, the results were robust to analysis in which only contested races were examined.

Although the MCEA did not narrow margins or enhance competition more generally, the data suggest that, overall, term limits were relatively effective in doing so. For example, in the 2000 election, 7 of 13 open senate seats were the result of term limits. In the house, 15 of 34 open seats were the result of term limits. Furthermore, as shown in Figure 2, the average winning margin for the term-limited open senate seats was only 13.5 percent, compared with a statewide average of 22 percent. The average winning margin for the non-term-limited open seats was 19.4 percent, a differential much closer to the statewide average. Thus, term limits seem to have produced more competitive elections in specific senate contests than did taxpayer financing.

For term-limited open house seats the average winning margin was 24.9 percent, compared with a statewide average of 22.4 percent. For the non-term-limited open seats, the average winning margin was 17.3 percent, 5 percent lower than the statewide average. However, those results may be a function of the particular seats that were open in 2000.

Figure 2
Average Winning Margin: Term-Limited & Non-Term-Limited Senate Seats (2000)



Contestedness

With regard to whether candidates tended to be unopposed, simple statistical comparisons for 1998, akin to those for 2000, reveal no significant difference between clean and nonclean districts (Table 16). In the combined house-senate sample, while 21.1 percent of districts with unopposed candidates in 1998 became clean in 2000, the proportion of such districts becoming nonclean in 2000 was only slightly (and insignificantly) smaller at 20.6 percent. Similarly small and insignificant differences were obtained from the disaggregated house and senate data.

Moreover, there was no significant difference between clean and nonclean districts in terms of a change in the rate of single-candidate elections between 1998 and 2000 (Table 17). For the house, results were contrary to intuition, with a reduction in unopposed candi-

dates in nonclean districts of 3.8 percent compared to no change in clean districts, a statistically significant difference. In the senate, while clean districts displayed a slightly larger decrease in single-candidate frequency (12 vs. 10 percent), this difference, however, was insignificant. Nonetheless, for the combined sample, the change in contestedness between 1998 and 2000 significantly differed for clean and nonclean districts.

Regression results offer further confirmation of the insignificant effect of the taxpayer financing regulations on the frequency with which candidates were unopposed. Table 18 reports the results of regressions analyzing the likelihood that a candidate was unopposed in 2000, controlling for the 1998 margin, whether there was an unopposed candidate in 1998, whether the seat was open in 1998, whether clean candidates ran in the district in

Regression results offer confirmation of the insignificant effect of the taxpayer financing regulations on the frequency with which candidates were unopposed.

Table 16: Percentage of Seats Unopposed in 1998 (%), Clean and Nonclean Districts

	House	Senate	Combined
Nonclean	22.6	10.0	20.6
Clean	22.4	16.0	21.1
	n=151	n=35	n=186

Table 17
Change between 1998 and 2000 in Percentage of Candidates Running Unopposed (%),
Clean and Nonclean Districts

	House	Senate	Combined
Nonclean	-3.8**	-10.0	-4.8*
Clean	0.0**	-12.0	-2.4*
	n=151	n=35	n=186

Note: “*” indicates that the changes in the “nonclean” and “clean” percentages are significantly different at the 10 percent level, and “**” indicates that the changes in the “nonclean” and “clean” percentages are significantly different at the 5 percent level.

Table 18
Regression Analysis of Impact of Clean Election Law on Contestedness in 2000

Dependent variable: Dummy variable for contestedness (1 if single candidate, 0 if two candidates)

	House	Senate	Combined
1998 Margin	0.04**	0.002	0.04**
Unopposed in 1998	-2.37*	-----	-2.51**
Open in 1998	-1.27	-----	-1.19
Clean	1.07	P	1.03
Term Limits	-0.33	-----	-0.38
House	-----	-----	2.32**

Note: “*” indicates that regression coefficient is significant at the 10 percent level, “**” indicates that the coefficient is significant at the 5 percent level, “P” indicates that the variable in question perfectly explains variation in the dependent variable, and “-----” indicates that the variable was not included in the regression.

Table 19
Regression Analysis of Impact of Clean Election Law on Change in Contestedness
between 1998 and 2000

Dependent variable: Dummy variable for change in contestedness (1 if seat changed from contested in 1998 to single-candidate in 2000, 0 otherwise)

	House	Senate	Combined
1998 Margin	0.03***	0.10**	0.04***
Change in Openness	-----	0.09	-0.35
Clean	0.09	1.49	0.44
Term Limits	0.04	0.31	0.16
House	-----	-----	0.86

Note: “***” indicates that the regression coefficient is significant at the 5 percent level, “****” indicates that the regression coefficient is significant at the 1 percent level, and “-----” indicates that the variable was not included in the regression.

Table 20
Percentage of Open Seats in 1998 (%), Clean and Nonclean Districts

	All Races			Contested Races		
	House	Senate	Combined	House	Senate	Combined
Non-Clean	35.8***	13.3	42.9***	31.7***	77.8**	40.0***
Clean	100***	5.5	98.4***	100.0***	95.2**	99.0***
	n=151	n=35	n=186	n=117	n=30	n=147

Note: “***” indicates that the “nonclean” and “clean” percentages are significantly different at the 5 percent level, and “****” indicates that the “nonclean” and “clean” percentages are significantly different at the 1 percent level.

2000, and whether term limits were in effect in the district in 2000. For the combined sample, clean districts were neither more nor less likely to feature an unopposed candidate in 2000. (In the senate, the single unopposed candidate was in a clean district; hence, cleanness perfectly predicts the outcome in that case.) Regarding the impact of other independent variables, uncontested races in 2000 were significantly more likely when the 1998 margin was higher and when the race had been contested in 1998.

In addition, when the propensity of a seat to switch from being contested in 1998 to uncontested in 2000 is examined, no significant effect of the MCEA is found (Table 19). Specifically, for the combined sample, clean districts were neither significantly more nor less likely to switch from contested in 1998 to uncontested in 2000. As for other independent variables, those districts with wider

1998 margins were more likely to switch from two-candidate to single-candidate fields between 1998 and 2000.

Openness

Perhaps the most dramatic results in the comparison of clean and nonclean districts come from the analysis of seat openness. Recall that in 2000 clean seats were significantly less likely to be open than nonclean ones. Making this comparison for 1998 yields dramatically opposite results. Specifically, 100 percent of clean house seats were open in 1998, significantly more than the 35.8 percent of nonclean seats open in that year (Table 20). Moreover, this is not an artifact due to the majority of all seats (66 percent) that are in clean districts. Consider a comparison of open and closed seats for 1998. As Table 21 shows, for all open seats in 1998, the likelihood of being clean in 2000

The tendency of house seats to remain open between 1998 and 2000 differed significantly between clean and nonclean districts, but not in the direction forecast by proponents of clean elections.

Table 21
Percentage of “Clean” Districts (%), by Presence of 1998 Open Seats

	House	Senate	Combined
Not Open	0.0***	50***	5.3***
Open	83.8***	74.2***	81.8***
	n=151	n=35	n=186

Note: “****” indicates that the “not open” and “open” percentages are significantly different at the 1 percent level.

Clean districts were more likely to have incumbents running in 2000 than non-clean ones, even after controlling for other relevant differences among districts.

Table 22
Percentage of Races with Incumbents in 2000 That Were Open in 1998 (%),
Clean and Nonclean Districts

	All Races			Contested Races (in 1998)		
	House	Senate	Combined	House	Senate	Combined
Nonclean	0***	60**	9.5***	0***	55.6***	10.0***
Clean	100***	76**	95.1***	100***	81***	95.9***
	n=151	n=35	n=186	n=117	n=30	n=147

Note: “***” indicates the “nonclean” and “clean” percentages are significantly different at the 5 percent level, and “***” indicates that the “nonclean” and “clean” percentages are significantly different at the 1 percent level.

was 83.8 percent, significantly higher than it was in those districts with an incumbent running in 1998 (0 percent). In other words, the vast majority of districts that had no incumbent running in 1998 became clean, while none of the districts with an incumbent running in 1998 became clean. Had the MCEA been used to promote electoral competition, one suspects that it, instead, would have been more likely to have been employed in those districts where incumbents had run in 1998.

By analyzing the change in openness that occurred between 1998 and 2000, and com-

paring clean and nonclean districts along that dimension, one can directly examine this conjecture. Specifically, as exhibited in Table 22, the tendency of house seats to remain open between 1998 and 2000 differed significantly between clean and nonclean districts, but not in the direction forecast by proponents of clean elections. Of the 98 house districts that became clean in 2000, 100 percent shifted from having an open seat in 1998 to having a nonopen seat in 2000. In other words, while no incumbents ran in any clean house district in 1998, an incumbent

Table 23
Regression Analysis of Impact of Clean Election Law on Seat Openness in 2000

Dependent variable: Dummy variable for openness (1 if incumbent not running in 2000, 0 if incumbent running in 2000)

	All Races			Contested Races (in 1998)		
	House	Senate	Combined	House	Senate	Combined
1998 Margin	-----	-008	-0.01	-----	-0.07	-0.01
Unopposed in 1998	-----	6.39	1.47	-----	6.12	1.19
Open in 1998	-----	0.35	4.79***	-----	0.33	4.40***
Clean	P	0.36	-4.52***	P	0.36	-4.18***
Term Limits	-----	-----	-----	-----	-----	-----
House	-----	-----	0.41	-----	-----	0.38

Note: “*” indicates that the regression coefficient is significant at the 10 percent level, “***” indicates that the regression coefficient is significant at the 1 percent level, “P” indicates that the variable perfectly explains variation in the dependent variable, and “-----” indicates that the variable was not included in the regression.

Table 24
Regression Analysis of Impact of Clean Election Law on Change in Openness between 1998 and 2000

Dependent variable: Dummy variable (1 if district switched from open in 1998 to 'closed' in 2000, 0 otherwise)

	All Races			Contested Races (in 1998)		
	House	Senate	Combined	House	Senate	Combined
1998 Margin	-----	0.13**	0.01	-----	0.13**	0.03
Clean	P	0.15	5.91***	P	0.15	5.10***
House	-----	-----	-1.53*	-----	-----	-0.68

Note: "*" indicates that the regression coefficient is significant at the 10 percent level, "**" indicates that the regression coefficient is significant at the 5 percent level, "***" indicates that the regression coefficient is significant at the 1 percent level, "P" indicates that the variable perfectly explains variation in the dependent variable, and "-----" indicates that the variable was not included in the regression.

ran in every clean house district in 2000. Conversely, of those incumbents elected in 1998 in nonclean house districts, the proportion running again in 2000 was significantly lower (0 percent).

Similarly, in the senate, clean districts with no incumbent running in 1998 were significantly more likely to have one running in 2000 than were their nonclean counterparts (76 vs. 60 percent). The significant difference in the house led the combined comparison to be significant, with 95.1 percent of clean districts switching from open to incumbent-held (closed) seats between 1998 and 2000, compared to only 9.5 percent of nonclean districts. The same pattern existed in the districts that had contested races in 1998.

Further confirmation of the significant connection between a district's being clean and its shift away from open elections can be found in regression analysis in which the dependent variable measures whether the seat was open in 2000. Results of this regression, given in Table 23, indicate that even after taking account of other characteristics of the district such as the 1998 margin, whether the candidate was unopposed in 1998, and whether the seat was open in 1998, elections in clean districts were significantly

less likely to be open in 2000. In other words, clean districts were more likely to have incumbents running in 2000 than nonclean ones, even after controlling for other relevant differences among districts. In addition, analogous results were found when the analysis was limited to contested races.

Final evidence of the tendency of clean districts to switch from open in 1998 to incumbent-held in 2000 is provided by a regression in which the dependent variable measures whether a district made such a switch. The results (Table 24) indicate that in the combined sample and in the subsample of house districts, clean districts were significantly more likely to shift from open to closed than were nonclean districts. For the house, the clean variable perfectly predicts changes in openness; 100 percent of house seats open in 1998 became closed in 2000. Again, analysis of contested races provided highly similar results.

Analysis of Incumbency

The 2000 election clearly demonstrates the power of incumbency. Fifty percent of incumbents seeking reelection to the state senate accepted taxpayer financing. Not one of those clean senate incumbents was defeat-

Despite the limited campaign spending available to the clean incumbents, the respective advantages of incumbency, such as name recognition, appeared to outweigh more tangible factors.

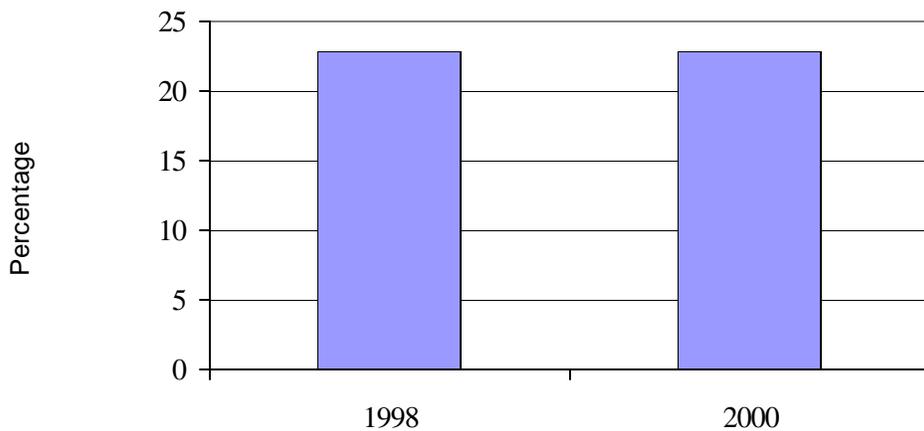
The MCEA had significant effects on electoral competitiveness. Unfortunately for the proponents of the law, those effects, where they exist, tend almost exclusively in the direction of lessened rather than heightened competitiveness.

Table 25
Clean Money and Incumbency

Clean Money Incumbent Wins	Clean Money Incumbent Losses	Incumbent Wins As Percentage of All Clean Money Wins
Senate: 11	0	64.7
House: 24	2	53.3

Source: Authors' calculations.

Figure 3
Clean Money House Incumbents: Average Margin of Victory



Source: Calculations by the authors.

ed in 2000 (Table 25). Therefore, despite the limited campaign spending available to the clean incumbents, the respective advantages of incumbency, such as name recognition, appeared to outweigh more tangible factors.

As is the case for the state senate races, the power of house incumbency can be illustrated (Table 25). Only two of the house incumbents who chose to fund their reelection efforts courtesy of Maine taxpayers were defeated in 2000. In fact, the majority of clean-candidate victories belonged to incumbents. Again, one finds evidence that, despite the limitations on campaign spending by tax-funded incumbents, the advantages of entrenched incumbency were almost impossible to overcome.

If one notes the average margin of victory

of the clean house incumbents in 2000 and compares that figure with the same incumbents' average margin of victory in 1998 (Figure 3), there is no improvement in the competitiveness of the average outcome. Overall, of the 17 comparable clean incumbent house seats, 8 were more competitive in the 1998 election and 9 were more competitive in the 2000 election.

The Competitiveness of Maine's 2000 Election—Summary

A variety of statistical tests support the notion that the MCEA had significant effects on electoral competitiveness. Unfortunately for the proponents of the law, those effects, where they exist, tend almost exclusively in

the direction of *lessened* rather than heightened competitiveness.

With regard to victory margins, clean districts did not exhibit a larger reduction in the size of margins between 1998 and 2000 than did nonclean districts. Instead, for the combined house-senate sample, the average margin reduction was larger in nonclean districts in both contested and uncontested races, although not significantly larger. This overall result was driven by (insignificantly) greater margin reductions in nonclean districts in the house, while clean senate districts did experience greater margin reduction than nonclean districts (again, a statistically insignificant difference). This result was further confirmed by regression analysis in which races in clean districts had neither closer margins in 2000 nor greater margin reductions between 1998 and 2000, holding constant other relevant characteristics of the election.

In fact, when the 2000 margins alone are examined in districts with contested races, clean districts had significantly *higher* margins than did their nonclean counterparts. When this subset of districts is examined further (results not reported), however, it is found that there was no significant difference in margin reduction (between 1998 and 2000) for clean and nonclean districts. Thus, it is reasonable to conclude that the MCEA had no impact on electoral competitiveness by way of victory-margin reduction.

Similarly disappointing results were discovered regarding the impact of cleanness on a candidate's likelihood of being unopposed. Simple statistical analysis of the frequency with which candidates were unopposed in 2000 found that clean districts had a *higher* frequency of such candidates, although the difference was statistically significant only in the senate. Moreover, regression analysis of contestedness in 2000 and of the change in contestedness between 1998 and 2000 found no significant effect of cleanness, with one minor exception. In the analysis of the senate for 2000, the clean variable perfectly predicts contestedness, in that the only unopposed senate candidate in 2000 was in a clean district.

The real impact of the MCEA is detected in the propensity of incumbents to run for reelection. As noted earlier, Maine experienced a dramatic and significant reduction in openness between 1998 and 2000, with incumbents running in only 20 percent of districts in 1998 but in 87 percent of districts in 2000. This shift was apparently attributable to the clean election "reforms." Evidence suggestive of this phenomenon comes from simple statistical analysis of openness in 2000. Thirty-three percent of nonclean seats were open in 2000 compared to 3 percent of clean seats, a significant difference. This significant difference is due to the disparity in this outcome in the house, where 36 percent of nonclean seats were open in 2000 compared to 0 percent of clean seats. (While the senate also had a smaller proportion of open seats in clean than in nonclean districts in 2000, the difference was insignificant.)

Moreover, this difference was amplified after examination of the 1998 data. In that year, districts that were to become clean had 98 percent of their seats open, significantly more than did nonclean districts, at 43 percent. Again, the house was responsible for this significant effect; while 100 percent of clean house seats were open, only 36 percent of nonclean ones were. While almost all clean seats (98 percent) were open in 1998, almost none (3 percent) were open in 2000.

These observations regarding 1998 and 2000 were connected by examining the likelihood that a district switched from open to closed between 1998 and 2000. This analysis revealed that while only 10 percent of nonclean seats (6 of 63) shifted from open to closed, 95 percent of clean ones (118 of 123) did. Looked at another way, those districts with open seats in 1998 were significantly more likely to become clean (82 percent) than those with an incumbent running in 1998 (5 percent).

Regression analysis further confirmed this finding. When the likelihood of a district's being open in 2000 is analyzed, clean districts are discovered to have a significantly lower probability of openness than nonclean

Taxpayer financing may disproportionately, and negatively, affect open seats that are already predisposed to competition.

These findings should lead other states to be extremely skeptical of the clean money alternative.

ones, controlling for the margin in 1998, whether the candidate was unopposed in 1998, and whether the seat was open in 1998. Specifically, in the house, the clean variable perfectly predicts openness; as noted above, 100 percent of all clean house districts had an incumbent running in 2000. Finally, regressions estimating the likelihood of a district's shifting from open in 1998 to closed in 2000 revealed that clean districts were significantly more likely to shift from open to closed than were nonclean ones, controlling for the size of the change in margin in 1998. Again, this result was driven by the house data, where the clean variable perfectly predicted the likelihood of shifting; 100 percent of clean seats open in 1998 became closed in 2000.

In general, taxpayer financing seems not to have improved electoral competitiveness in Maine. This conclusion is borne out by a more detailed analysis of the individual senate and house races directly affected by the MCEA. Instead, taxpayer financing may disproportionately, and negatively, affect open seats that are already predisposed to competition. In other words, we have little reason to believe the MCEA increased electoral competition in Maine's senate races beyond what would have happened in its absence. The alleged causal relationship between taxpayer financing and increased competitiveness appears even more tenuous when one considers the outcomes of the most inherently competitive races—those for open seats—featuring tax-funded candidates. Increases in competition appear instead to arise, in part, from term limits provisions that also came into effect in the 2000 elections.

Conclusion

The preceding analysis of the results of the 1998 and 2000 Maine state elections shows that the adoption of taxpayer financing for the 2000 election did not result in a substantially more competitive election than occurred under private funding in 1998.

While enhanced electoral competition has been predicted as a result of clean election regulations, the evidence from Maine implies the opposite. Comparison of districts that had clean candidates in 2000 with those that did not indicates that the clean districts displayed no improvement on two of three dimensions of electoral competitiveness and actually performed far worse on a third.

Specifically, clean districts exhibited no difference in victory margins or in contestedness relative to nonclean districts. However, in the case of openness—the tendency of incumbents to run—clean districts were far more likely to have incumbents running in 2000 and far more likely to have switched from an open race in 1998 to one in which an incumbent was running in 2000. Therefore, our empirical analysis of the Maine election supports the following conclusions:

- The overall average margin of victory in both senate and house races declined by a statistically insignificant amount.
- Races for open seats that featured tax-funded candidates did not clearly show that taxpayer financing leads to more competitive elections and in fact demonstrated the reverse.
- Despite limits on campaign spending by incumbents, the advantages of holding office were almost impossible to overcome. Most victorious clean candidates were incumbents, and almost all incumbent clean candidates retained their seats. The limits on house incumbents' spending under taxpayer financing did not reduce their margins of victory. A comparison of the change in margin of victory between 1998 and 2000 for clean and nonclean districts found no statistically significant difference in improved competitiveness in clean districts.
- Term limits were relatively effective at opening up the state's electoral process to greater competition. Newly competitive seats benefited more from the introduction of term limits than from

- the introduction of taxpayer financing.
- Under a system of taxpayer financing, the number of contested primaries rose only marginally from 1998 and remained well below the level of prior, privately funded elections.
 - The lure of subsidized campaigning did not attract a substantial number of independent and minor party candidates.

Rather than making incumbents more vulnerable to challenge, the MCEA has helped to entrench incumbents, diminishing electoral competition. This conclusion should not surprise students of American elections. After all, the research of political scientists Michael J. Malbin and Thomas L. Gais on various earlier taxpayer financing efforts in other states found no evidence that taxpayer financing increases electoral competition.²⁸

These findings should lead other states to be extremely skeptical of the clean money alternative. For a scheme largely funded by taxpayers, the Maine experiment offers few public benefits. Maine's lesson for other states and for national politicians is that a government trying to foster more competitive elections through taxpayer financing will be disappointed with the results, and taxpayers will be discomforted by the costs.

Notes

1. Dan Harris, "The Clean Campaign: New Law Allows Maine Candidates to Use Taxpayer Money," ABCnews.com, July 9, 2000.
2. See, for example, Marc Breslow et al., "Revitalizing Democracy: Clean Election Reform Shows the Way Forward," Money & Politics Implementation Project, Boston, January 2002, pp. 21-35.
3. Glenn Cummings and Ed Youngblood, "Favor-Free Politicians: From Maine, Living Proof That Campaign Finance Reform Can Work," *Washington Post*, August 20, 2001, p. A15.
4. Ellen S. Miller, "Clean Elections, How To," *American Prospect*, no. 30 (January-February 1997), www.prospect.org/archives/30/fs30mill.html.
5. Richard M. Neustadt Center for Communications in the Public Interest, "State and Local Overview," Press release, March 27, 2000, us.benton.org/neustadt/reporters/me.html.
6. See "Ready for Some Good News on the Campaign Finance Beat?" June 12, 2000, www.publiccampaign.org/press_releases/pr6_12_00.html. Public Campaign is the Washington, D.C.-based advocacy organization that is leading the national campaign for clean money regulations. Two-thirds of its multi-million-dollar annual budget are spent directly on state campaigns, including the funding of state-level campaign finance regulation groups, the training of advocates of campaign finance regulation, and the provision of model legislation and ballot initiatives.
7. Nick Nyhart, quoted in Public Campaign, "A New Kind of Legislature—'Clean,'" Press release, December 6, 2000, www.publiccampaign.org/press_releases/pr12_6_00.html.
8. Robert Dreyfuss, "Reform beyond the Beltway: States as Laboratories of Clean Money," *American Prospect*, no. 38 (May-June 1998), www.prospect.org/archives/38/38dreyfs.html.
9. Cited in Miller.
10. Jonathan Cohn, "Campaign Reform That Might Actually Work," *New Republic*, November 29, 1999, www.thenewrepublic.com/112999/cohn112999.html.
11. As stated by a leading advocate of campaign finance restructuring, "The real problems are too much money; too much time spent raising money . . . and the reality that good people don't have a fair chance of winning without the money." Quoted in Miller.
12. The MCEA ballot initiative was colauded by the Maine Citizen Leadership Fund and the Dirigo Alliance (the Maine affiliate of the Northeast Citizen Action Resource Center). The Maine coalition also included Northeast Action, the Maine Women's Lobby, the Natural Resources Council of Maine, chapters of the Reform Party and United We Stand America, and Peace Action Maine. Financial and organizational support from an assortment of liberal national organizations such as Common Cause, Citizen Action, the League of Women Voters, the AFL-CIO, the American Association of Retired Persons, and the National Association for the Advancement of Colored People and significant funding from charitable foundations reinforced the local coalition.
13. Dreyfuss.

14. Ibid.
15. Unidentified national campaign finance regulation activist, as quoted in Dreyfuss.
16. State of Maine, Commission on Governmental Ethics and Election Practices, *A Candidate's Guide to the Maine Clean Election Act*, July 30, 1999.
17. Ibid.
18. Ibid.
19. Ibid.
20. Ibid.
21. Ibid.
22. State of Maine, *A Candidate's Guide*, "Maine Clean Election Fund: Sources of Funding."
23. Similar legal challenges were filed in Arizona, Massachusetts, and Vermont following clean money successes in those states. In Arizona, the legal challenge was successful.
24. *Buckley v. Valeo*, 424 U.S. 1 (1976).
25. *Daggett v. Webster*, F. Supp. 2d, 1999 WL 1034520, *3 (D. Me. 1999).
26. *Daggett v. Webster*, Civil No. 98-223-B-H, slip op. at 2, 5-8 (D. Me. January 7, 2000).
27. See Public Campaign, "A New Kind of Legislature—Clean," Press release, December 6, 2000, www.publiccampaign.org/press_releases/pr12_6_00.html.
28. Michael J. Malbin and Thomas L. Gais, *The Day after Reform: Sobering Campaign Finance Lessons from the American States* (Albany, N.Y.: Rockefeller Institute Press, 1998), pp. 135-37.

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