

**MEMORANDUM**

To: New Haven Democracy Fund Board

From: Kenneth J. Krayeske, Administrator, New Haven Democracy Fund

Date: February 27, 2013

Re: Exploratory Committee Research

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1. **The Issue:**

The Ordinance establishing New Haven Democracy Fund specifically does not allow exploratory committees to roll over donations into candidate committees. But a candidate can form an exploratory committee, raise $375 from an individual donor, spend that money, declare as a candidate, participate in the Democracy Fund, and then re-solicit that same individual donor for another $370 contribution.

This cuts against the intent of the Democracy Fund to promote and increase the participation of small dollar donors, and essentially limit the contribution of any individual to $370. This year, two candidates in New Haven for mayor formed exploratory committees. The issue of double dipping never really arose because the candidates said they would not pursue it, but the legal issue still remains.

The question of how the Democracy Fund Board should handle the exploratory committee-double dipping loophole has to be answered. Before drafting any new language for the Ordinance, or even approaching any strategies for this, the Administrator considered it important to examine the prevalence of the issue, and its likelihood for recurrence.

Thus, the Democracy Fund Administrator sought to gather facts to better approach solving the problem, should the Board chose to do so. The Fund sought to research the number of candidates for municipal office who have used exploratory committees to determine the likelihood of this issue arising again. Furthermore, the Administrator sought to answer a series of questions, including:

* How many exploratory committees since January 1, 2000 have failed to produce candidates? (and it's inverse, how many do produce candidates?) Specifically, how many in the entire state of CT have produced candidates for mayor?
* What is the breakdown of other offices the candidates produced by exploratory committees run for? (State, local, federal).
* How many of those campaigns end up using public financing?

However, given the limited resources of the Democracy Fund, the Administrator curtailed the research once the paucity of data on a municipal level was discovered. The Administrator awaits direction from the Fund Board as to whether or not to continue this vein of research. We did not answer this more serious line of questions, which could help shed light into how the City of New Haven should craft policy regarding exploratory committees and their interaction with the Democracy Fund:

* How much do they raise by how many contributors? What is the breakdown of small money and big money contributors? What other kind of contributions?
* How many of those contributions end up being qualifying contributions for the public financing program they use?
* How many of those contributors contribute again, to the candidate committee? Are they small donors (under $100.00) or big donors?
* How much do the campaigns spend? On what? And what portion of money do the campaigns roll over from the exploratory committees to the campaigns? What kind of assets (voter histories, polling data, reports, position papers, web sites, etc), if any, do they roll over to the candidate committee?
* How long do exploratory committees last, on average, from start to termination? Is there a correlation between their duration and the offices that the candidates end up running for? How many of the exploratory committees produce candidates that win?
* What kind of enforcement is leveled against exploratory committees found to have broken rules? How many penalties and for what? What percentage of exploratory committees commit infractions?

1. **Evidence of the Problem:**
   1. **Municipal Exploratory Committees**

The Democracy Fund’s primary concern resides with exploratory committee effect on the mayoral elections in New Haven. After an exhaustive search of the New Haven City / Town Clerk’s election records, the filings of only one exploratory committee could be found, other than the two from 2013 for Gary Holder-Winfield and Justin Elicker.

James D. Newton formed an exploratory committee for the 2001 election for mayor. Mr. Newton’s file contains his initial filing to form the committee and one financial report for January 2001. The file does not contain any records to indicate whether the exploratory committee continued beyond January and if so when it dissolved. Furthermore, according to the registrar of voters for New Haven, there is no record of Mr. Newton appearing on a ballot for 2001. Therefore, the exploratory committee failed to produce a candidate for the primary and general election.

The City of Hartford’s records for exploratory committees were also reviewed. In Hartford, no mayoral race exploratory committees were found. However, exploratory committees for City Council and City Treasurer for the 2011 municipal election are on file in the City / Town Clerk’s office.

rJo Winch established an exploratory committee for a City Council seat. The exploratory committee raised money and eventually dissolved to form a candidate committee for the general election. The majority of money raised came from small donors, under $100 contributions. According to the financial records for both the exploratory committee and candidate committee, only two people donated to both committees.

Kelvin Roldan formed an exploratory committee for the 2011 City Treasurer race. Eventually the exploratory committee dissolved to form a candidate committee. Ultimately, Kelvin Roldan did not get the nomination to run for City Treasurer and he bowed out of the race. Although an exploratory committee was established, no financial records for the committee were in the file. Therefore, it is unclear as to the type of campaign contributions received by the committee.

In addition to Winch and Roldan, Victor M. Luna, Patrick R. Moore, and Kenneth P. Green also formed exploratory committees for the 2011 Hartford municipal election. The filings for these exploratory committees held less detail then those for Winch and Roldan.

Victor M. Luna’s filings included an exploratory committee registration form and dissolution form, however, there were no financial reports. The committee lasted from January 19, 2011 until March 23, 2011. The dissolution of exploratory committee form indicated that he would seek nomination or election, however, it did not specify for what office. Ultimately, Victor M. Luna appeared on the general election ballot as a candidate for Constable.

Patrick R. Moore registered an exploratory committee on November 12, 2010 for the 2011 municipal election. However, he did not specify the office, no financial reports were filed, and he never filed a notice of intent to dissolve the exploratory committee. Therefore, it is unclear how long the committee was in existence and whether it raised or spent any money.

Finally, Kenneth P. Green registered an exploratory committee on January 8, 2011. The committee was established to explore the possibility of a run for City Council. The file for Green’s committee did not contain any financial reports and notice of intent to dissolve. Thus, no record of the length of time the committee existed and no indication of whether it raised or spent money.

In conclusion, from the three available records of exploratory committee activities in New Haven, exploratory committees have a 33% failure rate (or 66% success rate) of producing a candidate for either a primary or general election for mayor. Furthermore, in Hartford, exploratory committees had a 60% failure rate (or 40% success rate) in producing a candidate for either a primary or general election for municipal office of any kind.

The lack of data on the municipal scale in Hartford and New Haven does not provide a solid basis for examining how to approach policymaking. Should the Board desire, the Administrator can begin researching other cities. But this sample should give an accurate portrayal of what occurs.

* 1. **General Assembly Exploratory Committees**

Because of the lack of data concerning exploratory committees for mayoral races in particular and municipal races in general, we looked at the success rate of exploratory committees for General Assembly candidates. [[1]](#footnote-1)

In 2008, 15 exploratory committees for potential General Assembly candidates registered with the State Elections Enforcement Commission (SEEC). Of those 15 exploratory committees, 8 failed to produce a candidate for the general election. Therefore, in 2008 exploratory committees had a 53.3% failure rate (or a 46.6% success rate).

In 2010, 43 exploratory committees for potential General Assembly candidates registered with SEEC. 11 exploratory committees failed to produce a candidate for either the general election or a primary election. Therefore, in 2010 exploratory committees had a 25.5% failure rate (or a 74.5% success rate).

In 2012, 22 exploratory committees registered with SEEC. Five exploratory committees failed to produce a candidate for the general election or a primary election. Therefore, in 2012 exploratory committees had a 22.7% failure rate (or a 77.3% success rate). Please see the attached chart.

1. **Additional Problems Encountered:**

After reviewing the records from New Haven and Hartford, it appears that either exploratory committees are failing to properly file the appropriate forms as required by law or the City / Town Clerk’s Offices are failing to properly retain exploratory committee filings. This poses a huge problem for those interested in researching and keeping track of exploratory committees.

Currently, there is pending legislation in the Connecticut General Assembly that if passed and signed into law, exploratory committees for municipal candidates will have to file through the eCRIS system managed by the State Elections Enforcement Commission. A requirement like, this may impress upon municipal candidates the importance of properly filing the required forms for their exploratory committees. Therefore, with more people having easy access to the records, candidates will be incentivized to stay current with the required filings.

1. It should be noted that unlike New Haven’s public campaign financing system, state assembly candidates can count donations to their exploratory committees as qualifying donations to their campaign committees to qualify for public funding. [↑](#footnote-ref-1)