

Presidential Funding Act

A Small-Donor Model of Presidential Campaign Finance

The **Presidential Funding Act of 2010**, introduced by Senators Russ Feingold (D-WI) and Congressmen Mike Castle (R-DE) and David Price (D-NC), would establish a new, small donor-driven system of voluntary presidential funding for the 2012 elections, replacing the outdated system of 1974. The legislation would provide qualifying candidates with competitive public matching funds and general election grants to mount a credible campaign, effective in 2012. The following draft provisions are currently under consideration.

Proposed Provisions

1. Candidate Qualifying and Seed Money

Candidates seeking funding under the Presidential Funding Act must raise \$25,000 in each of 20 states through individual donations of \$200 or less, for a qualifying total of \$500,000. Candidates may also raise seed money donations of up to \$1,000 from individuals, although such donations do not count toward candidate qualifying thresholds.

2. Primary Matching Funds

Candidates who successfully reach the qualifying threshold receive a 4:1 match on aggregate donations of \$200 or less per individual contributor. The limit in primary matching funds is \$100 million. Once the \$100 million limit is reached, additional unmatched donations may only be raised from individuals never to exceed \$1,000.

3. General Election Funding

Participating presidential candidates who win their party's nomination may receive a grant of \$50 million for the general election plus up to \$150 million in 4:1 matching funds on individual donations of \$200 or less. Candidates may supplement the grant with additional unmatched donations up to \$500 per donor.

4. Bundling and Conventions

Presidential candidates are required to disclose lobbyists, individuals and groups that bundle contributions totaling \$50,000 or more to their campaign. Federal candidates, office-holders, and parties are prohibited from raising or spending unregulated soft money in connection with a party's nominating convention. In addition, federal candidates are prohibited from forming joint fund-raising committees with any party committee.

Fig. 1: Summary of Presidential Funding Provisions

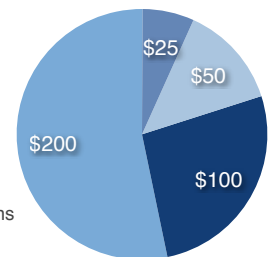
Provision	Presidential Funding Act (PFA)
<i>Individual Contribution Limits</i>	\$200 qualifying & matched contributions \$1,000 primary seed money and \$500 in general election donations (unmatched)
<i>Qualifying Contributions</i>	\$25,000 raised in each of 20 states in amounts of \$200 or less
<i>Primary Funding (est.)</i>	4:1 match on donations of \$200 or less up to \$100 million match limit Unmatched donations up to \$1,000
<i>General Funding (est.)</i>	\$50 million grant for major party nominees 4:1 match on donations of \$200 or less up to \$150 million match limit Unmatched donations up to \$500
<i>Public Funding Limits (est.)</i>	\$50 million grant (general) plus up to \$100 million and \$150 million in public matching funds in the primary and general, respectively

Fig. 2: Sample Breakdown of PFA Funding

General election candidate (\$millions)

- Seed Money [\$25]
- Small Donations [\$50 matched]
- Primary Public Match [\$100 limit]
- General Match & Grant [\$200 limit]

Excludes unlimited (unmatched) small donations



Funding Mechanism

1. Cost Estimate

The estimated cost of the legislation is \$275 million per year. Actual costs will vary based on the number of participating candidates and level of matched donations.

2. Funding Mechanism

Funding is provided through a voluntary income tax check-off of \$10 for single filers and \$20 for couples filing jointly. Additional funding is provided through land-use and royalty fees on natural resource extraction. A public education campaign by the Federal Election Commission will alert taxpayers of the fund and its purpose.

