

A young girl in a blue and white striped dress is holding a small American flag. She is standing outdoors on a paved surface with a green background. The text "Our Indivisible Destiny" is overlaid on the image in large white font.

Our Indivisible Destiny

The Case for **Democracy**
and **Reform** for the Future

Carolina
FORWARD



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“All political power is vested in and derived from the people; all government of right originates from the people, is founded upon their will only, and is instituted solely for the good of the whole.”

**North Carolina State Constitution
Article 1, Section 2**

“The government is us;
we are the government, you and I.”

Theodore Roosevelt

EXECUTIVE SUMMARY

Dissatisfaction and disillusionment

with our democratic system is widespread, wholly bipartisan, and growing. This trend has been most recently fueled by deliberate disinformation and conspiratorial paranoia, but is based on many years of legitimate concerns as well. Among these concerns are the role of special interests in financing our elections, politicians' misbehavior in office, and how our election system itself constrains both voters' ability to participate and their range of options to choose from.

Here in America, our states are famously the “laboratories of democracy.” But most of those laboratories haven't concocted any reforms in a while. **It's time they got to work again.**



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In **Our Indivisible Destiny**, we lay out three key areas of reform that North Carolina policymakers may consider to make good on those words to make our democracy more accountable, more honest, and more responsive to the will of the people. These reforms are designed to directly address those key concerns that our people — across the political spectrum — have about the integrity and future of our democracy.

1 The first area of reform is to institute strong campaign finance reforms that would fundamentally change how state-level campaigns are organized, in order to tilt governing control back in the direction of voters and away from wealthy special interests. **2** The second is to shine new sunlight into the inner workings of the legislature by introducing new ethical and financial disclosure rules. **3** The third would take redistricting out of politicians' hands, expand access to North Carolina's ballots, and empower voters with a broader range of political choices.

Both our state and national constitutions are fundamentally based on the idea — beautifully put in the quotes on Page 3 — that *“All political power is vested in and derived from the people.”*

It is once again time for North Carolina to make these words real and to strengthen the democratic foundations of our self-governance.



INTRODUCTION

Consider a classic car: say, a 1967 Corvette.



It is, simply put, a beautiful car. In its day, it represented the state of the art, a triumph of forward-thinking innovation. Today, properly maintained (and with some good wax), the '67 Corvette is still a beautiful car. But it isn't 1967 anymore. Compared with modern cars, the classic Corvette does not perform well *as a car*. It is slower, less efficient and very unsafe, all at the same time. Its original engine is almost certainly shot. It was a marvel for its time, but the 2022 Corvette performs better in almost every way.

America's electoral system is similar. At its founding in 1776, North Carolina's political system was a model of innovative and progressive thinking for its time. But like the U.S. Constitution, our state's system was also deeply flawed — not just by modern standards, but even for many at the time. Since then, American democracy has evolved ineluctably for the better. Mass movements of Americans demanding change over the preferences of entrenched elites have enlarged and vastly improved our democracy over the last two centuries. Change is not only good; it is also fundamentally, inextricably, **American**.



Today, our democracy continues to face challenges. There is widespread dissatisfaction with the role money plays in electing our leaders and the way that wealthy elites deploy it to advance their interests over those of the public. People see the growing links between corporate lobbyists' agendas and elected officials' own financial interests. And voters have grown understandably cynical about how effective voting itself is in converting their political preferences into tangible change in our two-party system.



These concerns are **not partisan**. Academic research and polling (including Carolina Forward's own¹) show that concern for democratic legitimacy is widely and deeply shared across voters of virtually every political and demographic category. Voters may disagree about which political side is *more* guilty, but there is a broad consensus about what the problems fundamentally are.



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Several of the “big issues” facing American elections are beyond the ability of state lawmakers to address and would require acts of Congress and/or the Supreme Court to solve (ex. overturning *Citizens United*). As such, we do not delve into those here. Nevertheless, there are still many other important reforms that are very much within the grasp of North Carolina’s leaders. That’s what this paper is all about.

Our Indivisible Destiny is organized into three parts:

Part 1: Campaign Finance



Changing the way our elections are financed - as well as who does the financing

Part 2: Reform in the Capitol



Measures for greater transparency in our state government

Part 3: Better Elections



Basic improvements to make our democratic process stronger, more meaningful and responsive



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The American experiment in democracy is never complete. One of the greatest blessings of living in the United States of America is our right - indeed, our responsibility - to continue to advance and improve on the democratic system that previous generations have passed down to us. Here in America, our system for electing our leaders and deciding our laws is not chosen for us. Rather it is we, the people, who get to decide it.

Let us choose wisely.



2022 Chevrolet Corvette



ONE CAMPAIGN FINANCE



There is probably no more broadly-shared complaint about the American political system than the role of money in it.

The ability of deep-pocketed donors, corporations and special interests to turn campaign contributions into access and preferential policy has been widely observed in both major parties. This has led to deep erosion of the public trust in elected officials and near-universal impatience with outside influence in our politics.

In recent years, the U.S. Supreme Court has struck down even many of the weak limits on campaign finance that Congress did manage to pass. Decisions like *Citizens United v. FEC* and *McCutcheon v. FEC* have significantly weakened the government's ability to regulate money in elections. Needless to say, there is very little that North Carolina's state leaders can do about these decisions. These federal issues can only be addressed by acts of Congress and probably a different composition on the Supreme Court.



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Yet even within these limits, our leaders in Raleigh still have significant authority over how state campaigns in North Carolina are financed. They should use that authority to reverse the trend of the last decade and make it harder for massive campaign donors to spend huge sums on state political campaigns.

There are several effective ways this can be done. Primarily, it will involve **setting new limits** on how much big donors can give, how much political parties can accept, and how much parties can transfer directly to their candidates.

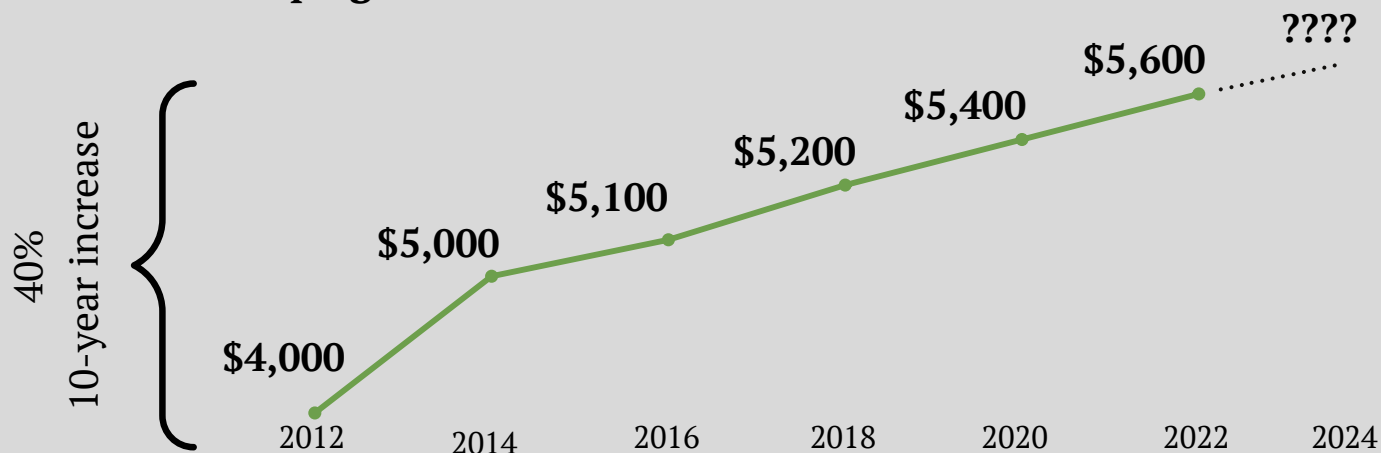
Cap the maximum individual campaign contribution limit, and remove automatic increases.



In 2013, Republican leaders removed the existing cap on the maximum limit individuals could contribute to a single campaign, which had been set by statute at \$4,000. Not only did they raise the limit to \$5,000 for the next election cycle, they also set the maximum individual contribution limit to automatically increase in every subsequent cycle. North Carolina's maximum campaign contribution limit is now indexed to inflation. It rose automatically to \$5,200 in 2018, \$5,400 in 2020 and \$5,600 in the 2022 cycle, and will only rise again (even more significantly) in 2024.



Maximum legal campaign contribution to North Carolina non-federal campaigns



Source: Carolina Forward

Raising the maximum campaign contribution limit gives even more power to large donors and makes it easier for incumbent politicians to overwhelm challengers with money. This is precisely the wrong direction to go. State lawmakers should again cap the maximum campaign contribution limit and eliminate automatic increases.

Due to restrictions stemming from *Citizens United*, it's not possible to bar expenditures from corporations entirely. However, there is no particular reason why corporations and special interest groups, in the form of Political Action Committees (PACs), couldn't be subject to a *different* maximum contribution limit than individuals. Leaders could cap contributions from PACs to individual candidates at \$500 for each election cycle. This would make it harder for these groups to directly influence campaigns.

Cap contributions from PACs at \$500



Put limits on how much party committees can accept and how much those committees can transfer to candidates.

In North Carolina, political party committees (e.g. fundraising vehicles) can accept unlimited amounts of money from individuals, PACs or other parties. They are then permitted to turn around and transfer those unlimited sums of

money to individual candidates, as a form of pass-through entity. (They also do this by purchasing advertising and valuable air time on those campaigns' behalf.) This system not only centralizes party control of candidates, their campaigns, and importantly, their votes; but it does so in a way that directly advantages mega-donors.



Breaking this legal flow of unlimited money would represent a complete paradigm shift in how political campaigns in North Carolina are financed. Setting hard limits at each stage - how much party committees can accept and how much they may transfer to candidates - would force candidates to shoulder a much heavier burden of raising their own campaign funds and effectively sideline the role of central party committees.





In North Carolina, judges are elected in elections that have only gotten more and more expensive. Every two years, lawyers, corporations and other special interests shell out enormous sums to help reelect judges who might rule on their cases one

day. These special interests can also help judicial candidates by giving unlimited sums of money to PACs and dark-money groups that don't reveal their donors at all.

Public financing for judicial races

For a decade, our state offered a better system. From 2002 through 2012, North Carolina gave judicial campaigns a lump sum of public financing if they raised enough small donations to qualify. Judges from across the political spectrum participated in the system and won elections with it. But the old public financing system was overwhelmed by outside money and was eventually repealed.



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North Carolina should revive and improve upon public campaign financing for judicial candidates. One idea would be to incentivize judicial candidates to compete for small donations by matching (or even multiplying) them with public funds. This way, the more small donations a candidate raises, the more public financing they get. Such a system would amplify the impact of small donors and give judicial candidates a feasible alternative in the era of unlimited contributions from special interests.

Taken together, these reforms would be a major step toward cracking down on the role of deep-pocketed, special interest money in North Carolina elections. While the U.S. Supreme Court's decisions make many types of fundamental change in campaign finance impossible, targeted reforms like these can still make a big difference towards leveling the playing field.



TWO REFORM IN THE CAPITOL

State capitols have a long tradition of a lack of transparency.

This reputation has only gotten worse as local and regional news media have weakened, leading to fewer and fewer reporters covering the legislature and less attention paid to what goes on there.

Research shows² that a very large majority (around 80%) of Americans don't know who represents them in their state legislature. Nevertheless, these lawmakers handle multibillion-dollar budgets, regulate enormous industries, and are frequently called to make difficult choices that pit the general welfare against the acute interests of a few.



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This is a perfect recipe for official corruption. And indeed, that is precisely what we too often see. At the state level, where the rules are few and oversight is dim, the stench of corruption often emanates from ethical gray zones. For example, lawmakers may write the rules for firms or industries in which they themselves have financial interests. An extremely common occurrence is lawmakers accepting campaign contributions from firms engaged in business that their committees oversee. Even when no explicit quid-pro-quo is established (and sometimes there is), such structures and relationships lend themselves to an inappropriately cozy dynamic that reinforces widespread public distrust of the process.

There are several steps honest lawmakers could take to begin restoring that trust. Many of them center on shining more sunlight on lawmakers' personal financial interests.



Drain it.



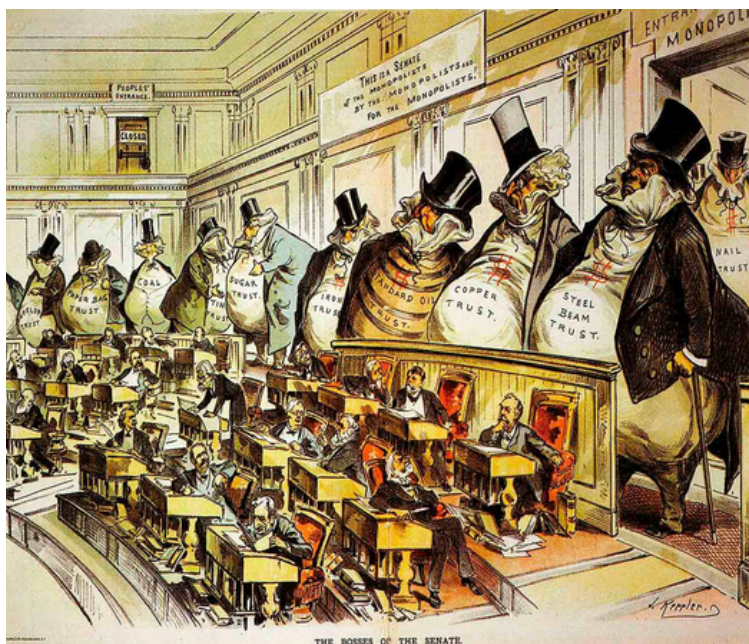
Politicians' financial disclosure



STATE ETHICS COMMISSION 2022 STATEMENT OF ECONOMIC INTEREST ELECTRONIC FILING

Today, all state lawmakers are required to file a Statement of Economic Interest (“SEI”) disclosure with the State Ethics Commission. Though all SEIs are searchable, they’re all but completely unknown to most voters. One very simple way to change that would be to require lawmakers to **link their current and past SEIs on their member page on the North Carolina General Assembly website**, right alongside their address, phone number and district information.

A more meaningful measure would be **required disclosure of lawmakers’ economic interests or income tied to businesses with pending legislation before their committees**. If lawmakers have personal financial interests (like equities or pensions) in firms directly implicated in legislation they oversee, the public deserves to know.



Common sense says that lawmakers shouldn’t be able to collect campaign cash from firms whose business they regulate. A Conflict of Interest policy **could bar lawmakers from accepting campaign contributions from firms that belong to industries that their committees oversee**. Most people would agree that lawmakers who want to raise money from the financial services industry shouldn’t seek a seat on the Finance committee, and that those with deep-pocketed friends in the energy industry shouldn’t sit on the Energy committee.



Finally, a more aggressive option would be to put some distance between lawmakers and their own financial interests. This could be done by **prohibiting lawmakers from owning individual equities entirely**. Lawmakers would be limited to owning only diversified financial instruments like bonds, ETFs, or mutual funds. Lawmakers could even be required to place their investments in a blind trust for the duration of their public service. This would be a meaningful step to dilute or even eliminate the unavoidable considerations of personal benefit that lawmakers can encounter when making law.



Professionalize the legislature

Of course, one reason most lawmakers in North Carolina cannot help but be distracted by their own financial stability is because they're essentially full-time volunteers.

State legislators in North Carolina are paid less than \$14,000 a year in salary. Though our legislature is purportedly "part-time," in reality, service in the legislature has become a full-time occupation. No one can reasonably be expected to carry out a truly full-time job while serving in the legislature, and very few even try. In the 2021-2022 legislative cycle, the legislature was in its "long session" for **14 full months** - the longest since 1965.

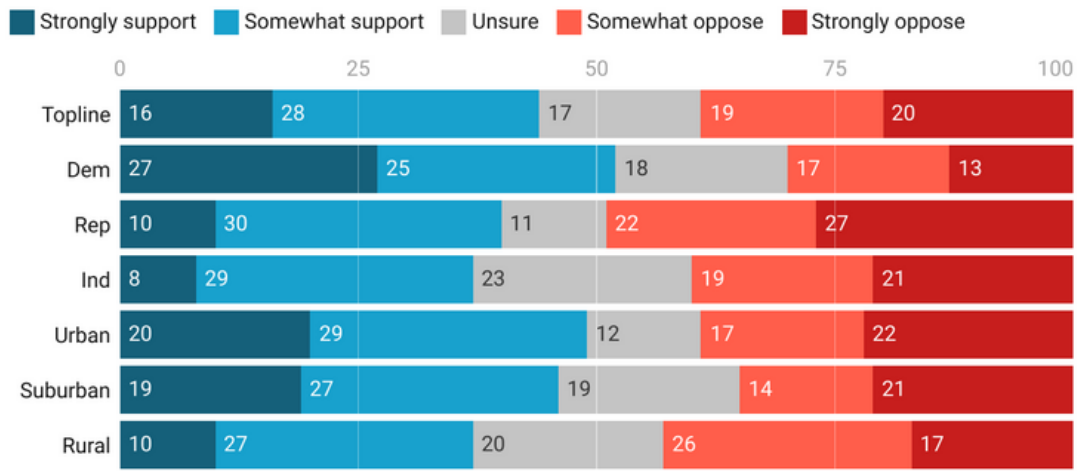
Service in the North Carolina legislature shouldn't be limited to the independently wealthy, as it is today. Legislator pay should be set at a professional level, commensurate with the work legislators perform. One interesting idea would be to



set legislators’ full-time salaries at the same level as starting teacher pay. Another would be to establish an independent commission to make its own recommendation for legislator compensation. Either one could help legislators avoid the unfortunate, but inevitable, political blowback to “voting to give themselves a raise.” What’s more, voters are open to professionalizing legislator pay:³

Poll: Legislator Pay

Question: State legislators in the North Carolina General Assembly are currently paid less than \$14,000 per year. Would you support or oppose an increase in legislator pay?



*Poll conducted January 24-25, 2021. 625 registered voters. MoE 3.9%.
Source: Carolina Forward • Created with Datawrapper*

Lawmakers have found increasingly novel ways to wring more money out of their elected office. Some abuse the rules to make exaggerated per diem claims for comically short or busy-work visits to the legislature. Others “double dip” their reimbursements, claiming money from both the state and their campaigns for the very same expenses, so they take a personal profit.⁴ Yet others have taken a more traditional route: **becoming lobbyists.**



Slow down the revolving door

North Carolina state law currently requires only a six-month “cooling off” period between serving in the legislature and becoming a registered lobbyist. Legislators can resign their offices in the very early spring and be lobbying their ex-colleagues by Labor Day, increasing their personal compensation by an order of magnitude or more. This “revolving door” pattern doesn't just erode the public's confidence in its elected officials. It also feeds a culture of inappropriate cooperation between politicians and lobbyists, for which financial benefit is the reward.

The six-month limit has not proven much of a deterrent to this practice, which monetizes insider political relationships to help distort the democratic process. The “cooling off” period should be increased from six months to two years (or one full, two-year legislative biennium) - or even longer.

This would still allow politicians who were determined to monetize their political relationships to do so - just not right away.

They'll be fine.



THREE BETTER ELECTIONS



At the core of any democratic society are fair and meaningful elections.

How we choose our leaders has always been a reflection of who we are as a society, particularly when it comes to who can access power - and who cannot. When more people have an equal ability to participate in those elections, and the more meaningful their choices of representation are, the better and fundamentally freer our society becomes.

There are two elements that are key to election reform: improving basic access to the ballot, as well as the range of options on that ballot. We begin with the latter, because abuse of North Carolina's election system for partisan gain is especially egregious and longstanding, but it also has some of the clearest solutions.

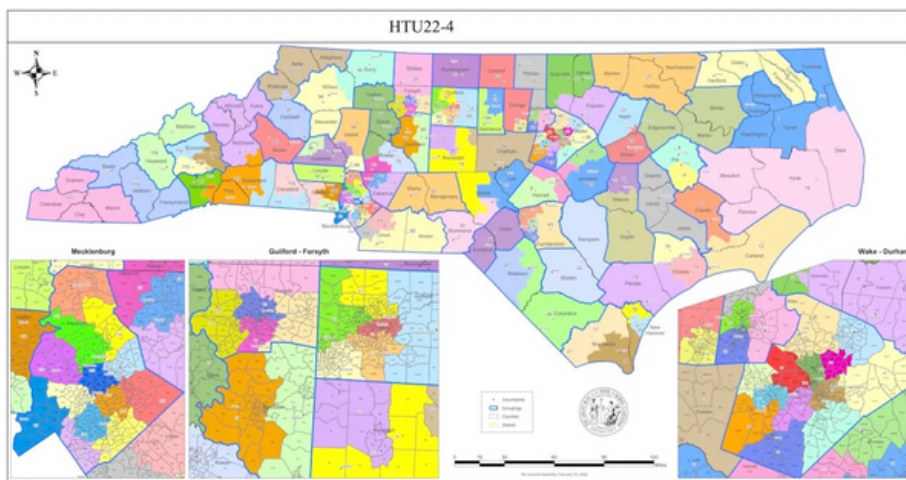


Independent redistricting reform

North Carolina should adopt an independent redistricting commission, which would take the process of drawing election maps out of the hands of the very politicians elected in them.

We won't relitigate the trench warfare over partisan gerrymandering in this paper. Suffice to say, gerrymandering in North Carolina elections isn't a new practice, and both major political parties have nursed decades-old, scorched-earth grudges over it. Simply put, it is time to move on.

While no independent redistricting commission system is perfect, even the least appealing model is demonstrably better and more fair than the disgraceful spectacle North Carolina has now. Today's decennial partisan scrum over redistricting is rife with abuse virtually by design.



There are many independent redistricting models available to choose from that work well in states across the country. North Carolina's leaders should choose a system that allows meaningful input from citizens and ensures that districts don't discriminate against any particular group of voters.

Independent redistricting isn't the end of making our elections more meaningful, but the beginning. Beyond the basic step of simply drawing fair districts, we must also consider who gets to run and meaningfully compete in elections themselves.



Today, voters are faced with two realistic political options in North Carolina, as virtually everywhere else in America: the Republicans or the Democrats. Very few people (besides diehard partisans) particularly like the two-party system, or think it offers a truly representative choice. Alternatives - the Libertarian Party, Green Party, Constitution Party, Patriot Party or even the nascent Forward Party (no relation) - abound, but in our “first past the post” electoral system, not only are they unable to win any real power, but they invariably act as an ideological opposite “spoiler.”

There are two straightforward ways to change this.

Ranked choice voting

Ranked-choice voting (“RCV”) is a simple and effective way for voters to communicate a wider range of political preferences in their government without “throwing away their vote.” Using RCV, voters are free to support the parties or candidates who best represent their views and still register their support for the next-best options. RCV helps blunt the trend towards more extreme politics and gives candidates a strong incentive to run more positive campaigns, instead of tearing down their opponents. In our current era of increasing political polarization, RCV would be a counterforce that encouraged broad-based appeal.

As a bonus, it also eliminates the need for runoff elections, saving time and taxpayer money.

Rank up to 4 candidates. Mark no more than 1 oval in each column.	First Choice	Second Choice	Third Choice	Fourth Choice
Candidate A	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Candidate B	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Candidate C	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Candidate D	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

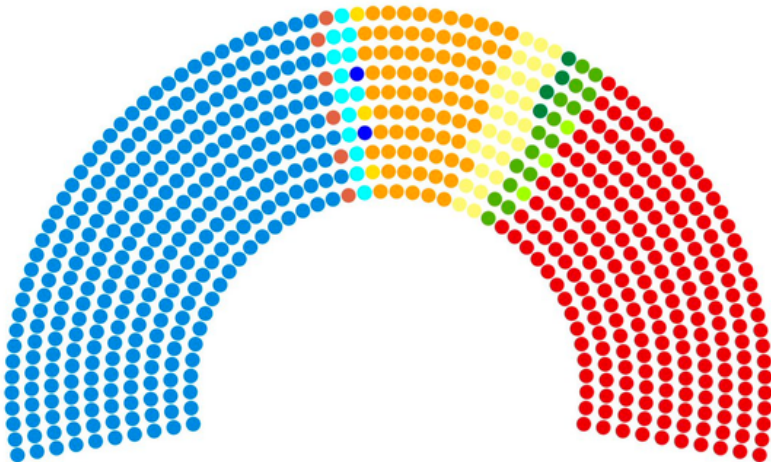


Legislators could also take a major step forward by embracing a full proportionally representative system for the state legislature.

While the U.S. Constitution spells out specific requirements for electing members of Congress, it is more or less silent on how states should govern their own affairs. Indeed, states have

broad authority to decide for themselves how to order their own governance, giving rise to the term “laboratories of democracy.” North Carolina should have the courage to exercise that authority by amending the state constitution to make the legislature proportionally representative. There are several ways the state could adopt such a system.

Embrace proportional representation



- One would be to establish multi-member districts for the state House and Senate, each of which would send 3 or 5 members based on the vote share of all parties competing there.⁵
- Another would be to simply make the election for the State House and Senate statewide, and similarly award seats based on the statewide vote share between all parties.

Of course, no election system is perfect. But whatever the tradeoffs, proportional representation is unarguably more representative of voters’ wishes than the two-party, “first past the post” system in place today. It would permit third (and fourth, fifth or more) parties to have a real and meaningful chance to win a voice in governance for the first time in modern American history. And best of all, under this system, gerrymandering could be made a thing of the past.



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Elections are only meaningful and effective at transmitting the electorate’s wishes into governance if voters can participate. The history of the United States, and most certainly that of North Carolina, is one of a long, painful struggle to expand the franchise to make the promise of “the consent of the governed” real. Even today, efforts to expand access to voting are met with stiff political resistance, frequently with the verbatim arguments used in support of poll taxes and literacy tests in previous generations.

Nevertheless, expanding access to voting is a self-evident good, and there are many simple, very cost-effective ways of doing it. Not only would they enfranchise more North Carolinians to have an active voice in their own governance, but they would make our elections more secure and reliable to boot.

Automatic voter registration



The single best way of expanding access to the ballot would be through automatic voter registration. Automatic voter registration (or “AVR”) is a cheaper, more secure and accurate method of maintaining eligible voter rolls, which is a powerful reason why 20 states - including Georgia and West Virginia - have already adopted it.

AVR begins with a simple idea: it makes voter registration “opt-out,” not “opt-in.” Where eligible citizens already interact routinely with government agencies, such as the DMV or when filing their taxes, they are automatically registered to vote or have their information updated, unless they decline.⁶

And best of all? Automatic voter registration enjoys strong support from voters.⁷



Automatic re-enfranchisement

Automatic restoration of the right to vote for felons after serving their sentence - or, even better, not revoking them in the first place - would be a powerful next step.

Revocation of voting rights was originally conceived as a way to deprive Black North Carolinians of a voice in government, and it still has that disproportionate effect today. Black voters are nearly three times likely to lose their voting rights under this antiquated rule.

The force of law should be used to expand the circle of democratic governance, not shrink it. Voters in Florida and other states have repealed Jim Crow-era restrictions on voting by people with felony convictions. Once people have served their time, they should be free to participate in their democracy again.

Make Election Day a holiday

North Carolina should make Election Day a holiday, with guaranteed paid time off to vote. Twenty eight other states, including Georgia, Minnesota and Colorado, already guarantee all workers paid time off specifically to vote. No one should be forced to choose between precious lost wages (or their job itself) and the right to participate in an election.



CONCLUSION



Better is possible.

Our democracy has seen some trying times. The American political system has come a long way since 1776, but the work is never complete. The project of making our system of government more responsive, just and fair continues today. It is up to us to decide to do it.

North Carolina legislators have the power to enact common-sense reforms that would shore up the public’s flagging faith in our democracy. They can act to protect access to the ballot and minimize the influence of wealthy special interests.

Our state constitution says that *“all political power is vested in and derived from the people,”* and that government *“is instituted solely for the good of the whole.”* It is time to bring new substance to these words.



CAROLINA FORWARD

Democracy is complicated. It is messy, unpredictable and requires the constant vigilance of an informed polity. It is not a time capsule from the past, but rather an ever-evolving concept, much like the society it serves.

Let us put our trust in the people of North Carolina to govern their affairs.



Endnotes

1 - *"Who's on First?"* Carolina Forward, October 2021.

2 - Rosen, Jill, *"Americans don't know much about state government, survey finds,"* Johns Hopkins University, December 2018.

3 - *"Professionalize the Legislature,"* Carolina Forward, 2022.

4 - Tauss, Leigh, *"Republican Candidate for Labor Commissioner Josh Dobson Accused of 'Double Dipping' With State Funds in Ethics Complaint,"* INDY Week, 2020.

5 - For more background on the merits of multi-member districts, see: Drutman, Lee, *"This voting reform solves 2 of America's biggest political problems,"* Vox, 2017.

6 - For more on automatic voter registration, see: *"Project: Automatic Voter Registration,"* The Brennan Center for Justice.

7 - *"New Poll: Automatic Voter Registration Is A Hit,"* Carolina Forward, 2021.



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Carolina Forward is a progressive policy organization dedicated to building a more just, democratic and prosperous North Carolina.



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