

CHANGE *the* RULES

We all know that politics matter. We know that things are getting worse. While it is natural to be cynical, discouraged and disengaged, we think that there are grounds for cautious optimism.

What is largely escaping notice is the progress being made on a number of fronts to “change the rules” that impact the very structure of our political process — so that different behaviors are required to succeed in the “business of politics.”

These changes are not flashy. There is no single silver bullet. Nor is there a single charismatic leader who can “drain the swamp.” However, a multitude of complementary efforts at the state and national level can succeed in changing the system. Change the Rules is a non-partisan non-profit that channels contributions to implement strategies that change the rules of our political process.¹

Because changing the rules changes everything.

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¹ Our status is pending as a 501(c) 3. We anticipate that contributions will be tax deductible.

OVERALL SUMMARY

Politics is a business. It is not something enshrined in the constitution. The constitution makes no mention of political parties, party primaries, ballot-access procedures and the countless other rules that drive today's politics.²

In 2016, Congress had a 17% approval rating and a 95% reelection rate.

The primary purpose of this “business,” as it currently functions, is the reelection of incumbents and the protection of the two national parties.

As broken as this business appears in terms of serving the broader public interest, it is actually thriving based upon its own standards for success.³

- The overwhelming majority of incumbents are reelected, not punished in any way for the collective breakdown of the system.⁴
- Competition is waged based upon ideology, allocation of blame and being “the lesser of two evils”. While the RNC and DNC are undergoing deep ideological struggles, they continue to effectively block any “outside” competition. (These rules of the system are described in more detail in the pages that follow.)
- Money continues to pour into this business in the form of campaign financing, lobbying dollars, and well-paying jobs for an army of partisan consultants, think tanks, media outlets and support functions (including lucrative options when elected officials leave “public service.”)

² Throughout this white paper, we are drawing heavily upon the research from Harvard Business School by Katherine Gehl and Michael Porter, published September 2017, and available at <https://www.hbs.edu/news/releases/Pages/why-competition-us-politics-industry-failing.aspx>

³ We suggest watching the brief video of the Princeton University research, “Public Opinion has virtually no Impact of U.S. Policy” https://www.youtube.com/watch?v=5tu32CCA_lg

⁴ 75% of elected officials in this country are winning office without having to communicate with voters outside of their own party (OpenPrimaries.org)

THE BUSINESS OPERATES BY A SET OF RULES

This business operates by a set of rules, and these rules can be changed.

- Our overall goal should be to elect officials who are actually disposed to solving our complex national problems, and -- conversely -- throw out incumbents who do not solve these problems.
- As bad as things seem now, there is hope: there is already a set of reforms that are operating largely under the radar that are showing that they can change the system.
- It is not simple, nor easy. Our mission at Change the Rules is to manage this complexity on your behalf, in a nonpartisan way.
- A single donation to CTR funds a portfolio of six organizations actively reforming complementary aspects of the system at the state and federal levels.⁵

SMART MONEY WILL BE INVESTING IN CHANGING THE RULES

We believe that smart money will increasingly recognize that

- At least one-third of political contributions should go to structural reform of the system (changing the rules).
- No more than two-thirds should go toward supporting “better candidates” (of any party) who will inevitably be constrained by what it takes to win primary and general elections under the existing rules of the business.

BE SMART

- ✓ Put two-thirds of your effort toward the candidates and policies you favor.
- ✓ Invest one-third in changing the structure that determines your choice of candidates and how they need to behave to get reelected.

YOU INVEST THE DOLLARS. WE MANAGE THE COMPLEXITY

- CTR is a non-profit that impartially vets the non-partisan grassroots activism that is making the biggest difference in structural reform.
- We maintain a philanthropic portfolio of complementary initiatives for changing the rules of the political system.
- CTR does not support any candidate, political party or policy – except changing the rules to create broader representation, more choice and greater accountability.

⁵ Our current portfolio consists of OpenPrimaries.org, FairVote.org, Represent.us, CampaignLegalCenter.org, IssueOne.org and ChangetheRule.org.

A single donation to CTR funds this portfolio. 5% of your donation covers our organizational expenses. We transfer all funds to our portfolio on a weekly basis. Our status is pending as a 501(c) 3. We anticipate that contributions will be tax deductible.

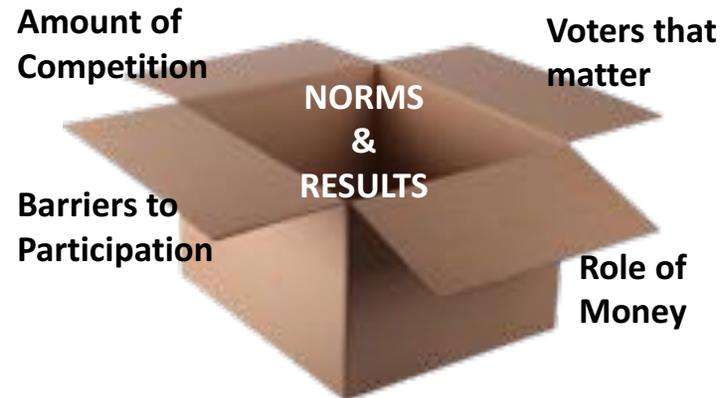
Beyond dollars

CTR also exploring an optional Outreach Management service (for a small monthly fee). Each month CTR would recommend three formatted actions (i.e. petitions or emails to elected officials) that donors can take to further structural change in the political system. These outreach actions blend national leverage points and local opportunities based upon donor zip codes.

UNDERSTANDING THE BUSINESS OF POLITICS

In most organizations, structure and rules largely determine what is valued and how individuals behave. In politics, a self-serving set of rules has evolved that maximizes the change of reelection while avoiding accountability. These rules serve to limit – “box in” – the possibility for genuine progress. The “business of politics” is governed by sets of rules for

- The amount of competition allowed in primary and general elections
- What voters really matter to politicians
- The barriers to citizen participation
- The role of big money in the system



As broken as this business appears in terms of serving the broader public interest, it is actually thriving based upon its own standards for success.

NORMS AND RESULTS

A healthy democracy needs a political system to deliver practical solutions to the nation's most important problems. What we have today is a political swamp that leaves us with unaddressed issues and worsening problems. Because there is no penalty for poor performance, politicians all too often just kick the can down the road.

A healthy democracy gets things done. It adopts practices that integrate many perspectives and make sound tradeoffs. What we have now is a system that thrives on "wedge" issues, where compromise is seen as ideological treason.

There is a perverse incentive not to solve problems but to keep controversy alive.

THE SWAMP



NORMS

- The parties thrive by exploiting "wedge" issues based upon ideology.
- There is a perverse incentive not to solve problems but keep controversy alive with false "either/or" alternatives in order to motivate the active partisan voters.
- Compromise is seen as treason. Bipartisanship is seen as weakness.

RESULTS

- Major problems (job creation, healthcare, education, immigration, deficits, etc.) are largely unaddressed and worsening.
- Fewer laws are being enacted by congress.

A HEALTHY DEMOCRACY



NORMS

- Solutions address reality, not ideology.
- Solutions integrate many perspectives and make sound tradeoffs.
- Solutions make real progress, and they are improved over time.

RESULTS

- Practical solutions to solve our nation's important problems.
- Legislative and executive actions that actually work and make things better.

THE AMOUNT OF COMPETITION

The first set of rules determines the choice of candidates presented to voters. Currently, the most partisan activists act as ideological gatekeepers in all primary elections, for both parties.

We need rules that open up the field of candidates, enabling the coalitions needed for successful governance.

75% of candidates are elected without having to communicate outside of their party.



THE AMOUNT OF COMPETITION



- Congress has an 11% approval rating and a 96% reelection rate.
- The most extreme partisan activists act as ideological gatekeepers for both parties in all primary elections.
- The rules are stacked against any candidate running a viable campaign outside of this two party monopoly.



- Candidates have to build support among moderates and independents, not just ideological extremists – in both primary and general elections.
- Redistricting is based upon objective, not partisan, criteria.
- Presidential debate rules are changed to allow participation by viable 3rd party candidates.

VOTERS THAT MATTER

Under the current rules, politicians pay attention to big funders and special interests, plus a small group of partisan primary voters.

We need rules that reduce the relative power of big dollars/special interests, and that increase the clout of the large group of more centrist voters.

The non-voters (40%) do not matter at all. The “average voter” (another 30-40%) get only to choose the least bad candidate.



VOTERS (CUSTOMERS) THAT MATTER



“Customers” that matter a lot

- Big funders/special interests.
- Partisan primary voters (only 20-30% of the electorate, sometimes as low as 5%).

“Customers” that don’t matter much

- Non-voters (40% of the electorate) may express their opinions in surveys but play no role in the political system.
- Average voters (e.g. non-primary voters – 30-40% of the electorate) only matter to the extent that swing voters may choose the least bad candidate in a closed 2-party system.



- An engaged majority determines the candidates in primary elections.
- Big money is still important but is less partisan, more transparent and less linked to lobbying and jobs.
- Restrict revolving doors

BARRIERS TO PARTICIPATION

Because only 20-30% of the electorate is active in the political process, we need new rules that increase eligibility, reduce barriers and increase incentives to vote.

U.S. trails most developed countries in voter turnout.



BARRIERS TO PARTICIPATION



Beyond the resignation based on limited choice and dominance of money in politics, voters face . . .

- Onerous voter ID laws
- Archaic Tuesday election day

Results . . .

- 40-60 % do not vote at all.
- 20 – 30% vote only in general elections



- Increased incentives to vote (*My vote matters, and I have more choice of candidates.*)
- Eliminate onerous voter ID laws
- Make voting easier (vote-by-mail, same-day registration, automatic registration, shift election day)
- Achieving a healthy benchmark of 75% voter turnout (like Australia, Israel, Belgium, Sweden, Denmark, Norway, South Korea), versus 55% for U.S. in 2016

THE ROLE OF MONEY

Money will always be a part of politics, but the distortions it creates can be minimized.

Politics is Big Business: \$16 billion +

Reported spending (2016 election cycle)

- Direct political spending (Federal level only) – 40%
- Lobby activity at federal level – 40%
- Partisan think tanks and other partisan support – 20%

Excludes billions in unreported spending and “shadow lobbying.”



THE ROLE OF MONEY



- Since Citizens United, big donor and special interests have largely merged into a single category.
- A tiny elite (0.52%) contribute nearly 70% of the total to federal candidates, PACs and Parties.
- Big money funds campaigns, supports lobbying and provides revolving door career opportunities – all linked and mostly hidden.



Money will always find a way into politics, but . . .

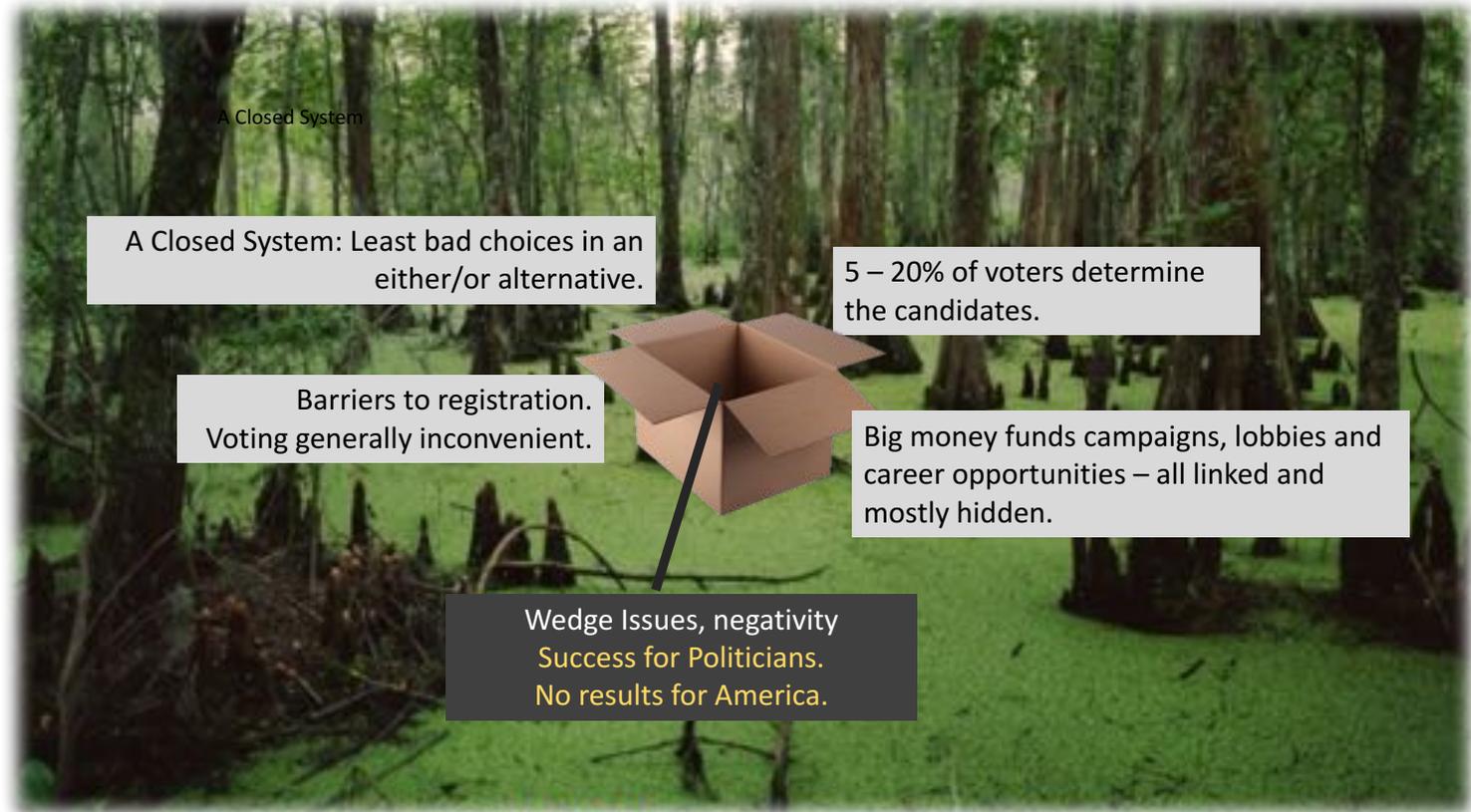
- Create greater transparency
- Prohibit lobbyists from bundling
- Restrict revolving doors

The influence of money lessened as candidates required to serve greater good to be reelected.

\$40 million spent in Georgia 6th special Congressional election (2017)

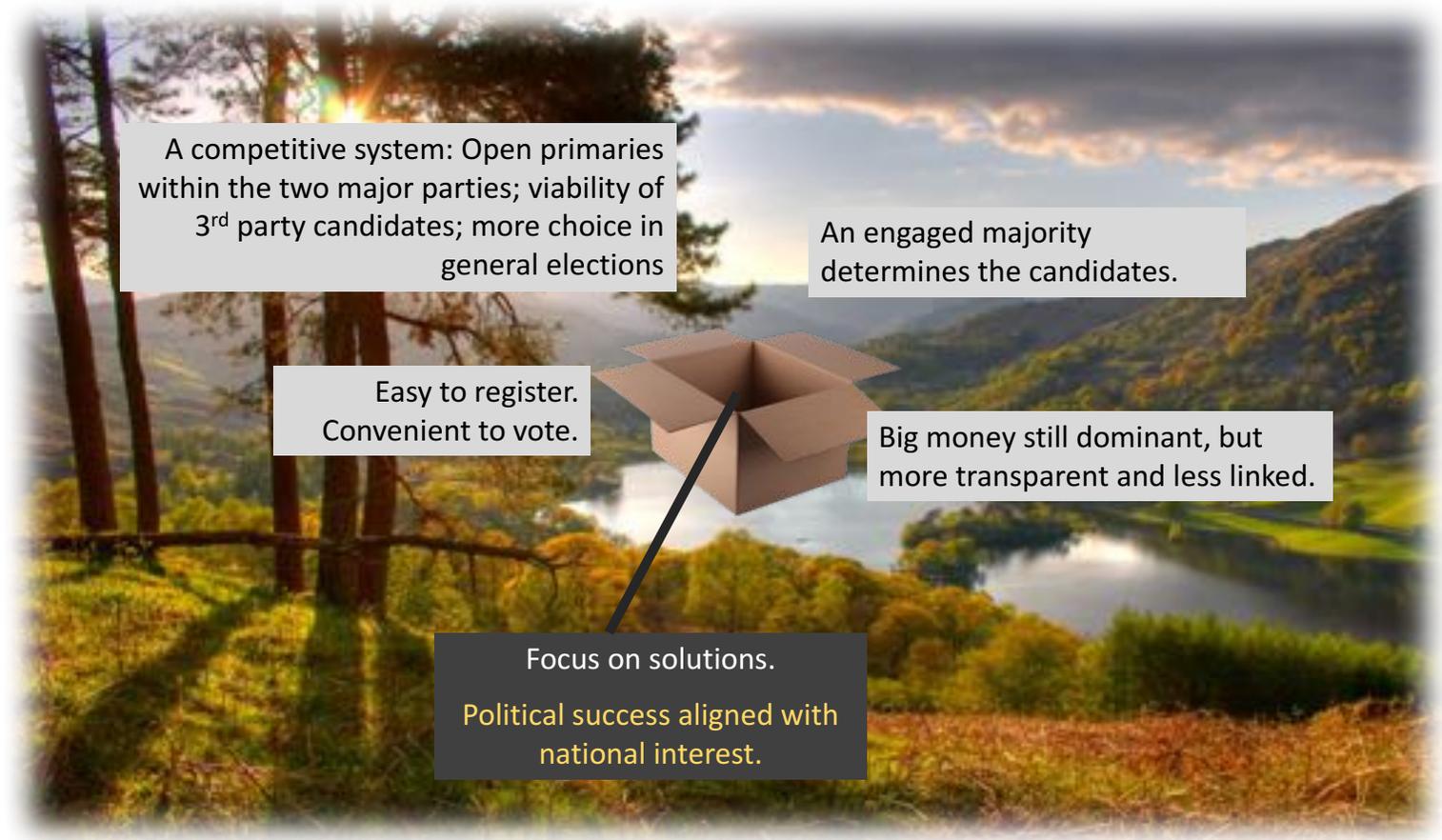
WHAT KEEPS US TRAPPED IN THE SWAMP?

These sets of rules have created a self-reinforcing downward spiral of partisan dysfunction: The greater the reliance upon partisan money and voters, the more extreme the candidates and the fewer incentives for the moderate majority (center-right and center-left) to participate.



BEYOND THE SWAMP

The goal of the CTR portfolio is to shift to a self-reinforcing upward spiral that creates a healthy democracy: Including centrist views and candidates leads to more workable solutions and tangible results, which creates greater incentives for participation, which reduces the influence of ideological rigidity and big money.

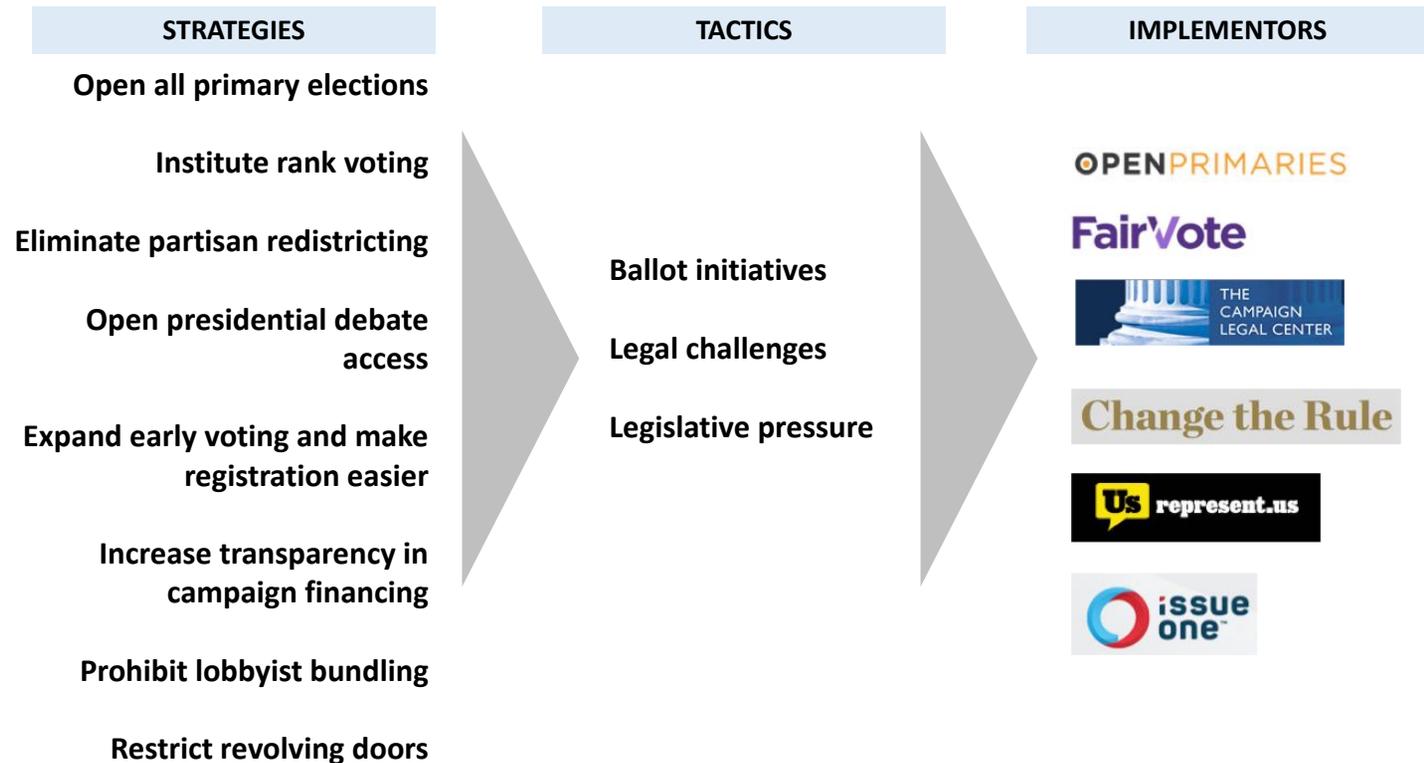


INVESTING IN SOLUTIONS THAT MATTER

We have identified six organizations that have begun to drain the swamp (to change the rules). Together, they represent a portfolio of change initiatives that have moved way beyond idealistic experiments. They are nonpartisan. They have demonstrated, at some minimum scale, the ability to have an impact. They have leadership and momentum.

SCREENING CRITERIA

- ✓ Non-partisan
- ✓ Demonstrated impact
- ✓ Momentum
- ✓ Leadership
- ✓ Complimentary



Without getting too far into the weeds, the attached footnotes provide a thumbnail introduction to each of these six organizations.

- Open Primaries ⁶
- Fair Vote ⁷
- Issue One ⁸

The goal of CTR is to fund the shift to a self-reinforcing spiral that restores authentic democracy.

⁶ OpenPrimaries.org. Closed primaries are the biggest form of voter suppression in the country. In 75% of elections, the outcome is determined in the first round of voting – the primary. 26 million voters, including almost half of all millennial voters, were barred from voting in presidential primaries in 2016. Millions more registered Democrats and Republicans were prevented from voting for the candidate of their choice. For presidential, congressional and state primaries, Open Primaries is moving from a fringe issue to a solid plank in a portfolio of political reforms. For a 2-minute introductory video, go to <https://www.youtube.com/watch?v=lcirfYZDsc>.

⁷ FairVote.org focuses on the adoption of rank choice voting/instant runoff. Since 2013, 15 cities have passed ranked choice voting. Research confirms that the process promotes majority support and reduces negative campaigning. As these benefits become more widely appreciated, momentum is building toward the goal of 10 governors elected in 2020 with ranked choice voting. For a 90 second introductory video, go to https://www.youtube.com/watch?v=Clz_nzP-W_c.

⁸ IssueOne.org is a “reformers caucus” of former member of congress, cabinet officials and governors from both parties committed to increasing financial disclosure, ending lobbying conflicts of interest and conducting experiments at state and local levels to improve civic participation. For more information, refer to the 6-minute introductory video. <https://www.youtube.com/watch?v=JekRGYpghkQ>

- The Campaign Legal Center⁹
- Change the Rule¹⁰
- Represent Us¹¹

Myths and Tempting Distractions

- That electing any one candidate within the current system can change the rules
- That an independent 3rd party will create new competition, under the current rules
- That well-meaning calls for bipartisanship will have much impact
- That the industry can be regulated under the current structure
- That the impact of money and special interests can be fully removed from politics
- That a single change will be the silver bullet

⁹ The Campaign Legal Center is a non-partisan nonprofit focusing on litigation around issues of money in politics, voting rights and government ethics. Their work includes putting pressure on the Federal Elections Commission (FEC) and supporting redistricting reform. Their introductory video is 90 seconds.

<https://www.youtube.com/watch?v=8C3ZrxJdMPws>

¹⁰ ChangetheRule.org. Change the Rule (singular) is devoted entirely to changing the rule for presidential debate access. There is ample evidence that the current 15% polling hurdle (established by a private organization called the Commission on Presidential Debates) is designed to exclude qualified 3rd party candidates. It is interesting to note that, in one poll, 62% of Americans said they would have voted for an independent for president in 2016.

For an in-depth look at this topic (26-minute video) go to <https://www.youtube.com/watch?v=ilAh9mlvLmo>.

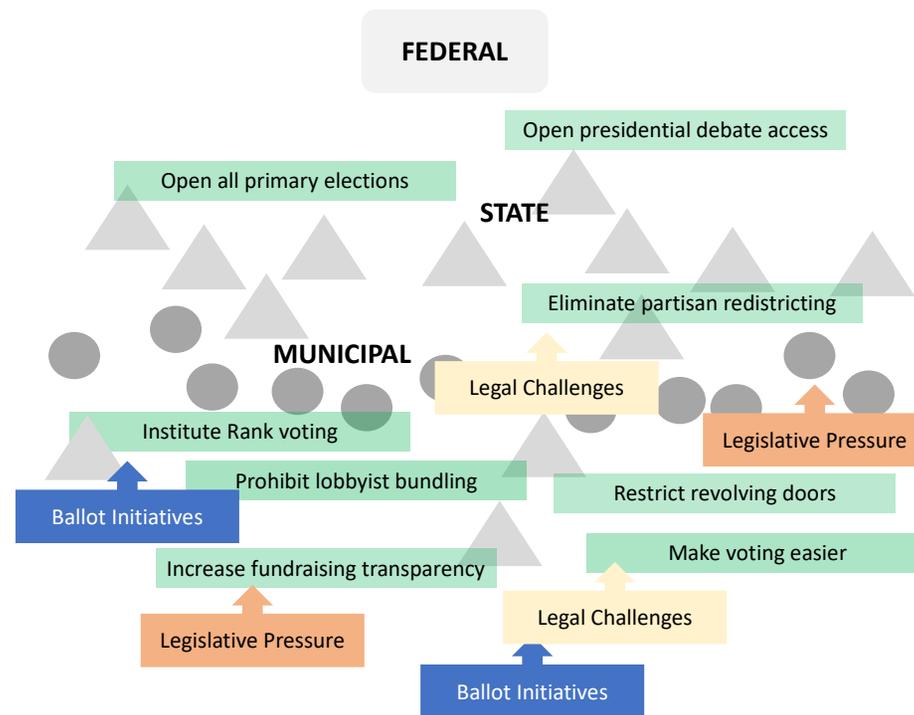
¹¹ Represent.us is a grassroots effort that focuses on passing “Anti-Corruption Acts” in all 50 states. These are locally tailored ballot initiatives that focus on lobbyist bundling, revolving door practices and campaign funding transparency. They currently have 500,000 members and claim 60 wins at the state and city level in the last 5 years. Watch the 5-minute introductory video. <https://www.youtube.com/watch?v=zRHdKokfXH0>

Six non-profits working in complementary ways to change the rules

As you get into the details, you can begin to appreciate the complexity of this effort. Each organization uses ballot initiatives, legislative pressure and/or legal challenges to rebalance “Who matters,” increase voter choice and increase accountability. To various degrees, they are working concurrently at the municipal, state and federal levels.

Each contribution to CTR is allocated and transferred, on a weekly basis, across this portfolio of organizations. We also provide consolidated reports of recent accomplishments, setbacks and future plans. As a CTR donor, you do not need to directly join any of these organizations.

You invest the dollars. We manage the complexity.



ABOUT CHANGE THE RULES, INC.

YOU INVEST THE DOLLARS. WE MANAGE THE COMPLEXITY

- CTR is a non-profit that impartially vets the non-partisan grassroots activism that is making the biggest difference in structural reform.
- We maintain a philanthropic portfolio of complementary initiatives for changing the rules of the political system.
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CTR is currently developing its business structure and communication platforms. Information will be available at www.changetherules.org.

We will be accepting donations early in 2018. To get on our mailing list to be apprised of further developments, please email info@changetherules.org.

CTR is founded and managed by Tom Curren. Tom is also founder of Hawthorne Consultants, a firm specializing in the integration of strategy and organization change.

<http://www.hawthorneconsultants.com>

SIMPSON-BOWLES AS A CASE EXAMPLE OF A FAILURE TO DELIVER SOLUTIONS

Simpson-Bowles, an effort to create a sustainable federal budget, provides a telling example of the political system's inability to deliver solutions. A substantial majority of Americans agree that our unsustainable federal debt and deficits must be addressed. In 2010, President Obama established the National Commission on Fiscal Responsibility and Reform – most often referred to by the last names of its co-chairs, Alan Simpson and Erskine Bowles.

The product of their work was a sound report with a well-crafted compromise solution. The preamble to the report says:

The president and the leaders of both parties in both chambers of Congress asked us to address the nation's fiscal challenge in this decade and beyond. We have worked to offer an aggressive, fair, balanced, and bipartisan proposal – a proposal as serious as the problems we face. None of us likes every element of our plan, and each of us had to tolerate provisions we previously or presently oppose in order to reach a principled compromise. We were willing to put our differences aside to forge a plan because our nation will certainly be lost without one.

The Simpson-Bowles report provided an actual, comprehensive solution. Why did it go nowhere? While there was bipartisan support from numerous legislators, this wasn't enough. In practice, neither party was willing to go against its party orthodoxy or give up or even compromise on any of its special interests.

Instead, Simpson-Bowles died a bipartisan death. Representative Paul Ryan, who served on the commission, voted against it. President Obama, who created the commission, declined to forcefully support it. No other legislators jumped in to save it (although some from both parties were courageous enough to voice public support). Most legislators were unwilling to go against their party line and risk a primary challenge from their right or their left.

Simpson Bowles demonstrates an important reality: the [business] duopoly controlling today's political competition has no accountability for results. Neither representative Ryan nor President Obama nor

Congress paid a political price for failing to deliver a solution to this pressing national problem. President Obama won a second term, Representative Ryan became speaker of the house, and the reelection rate in Congress was 90%.

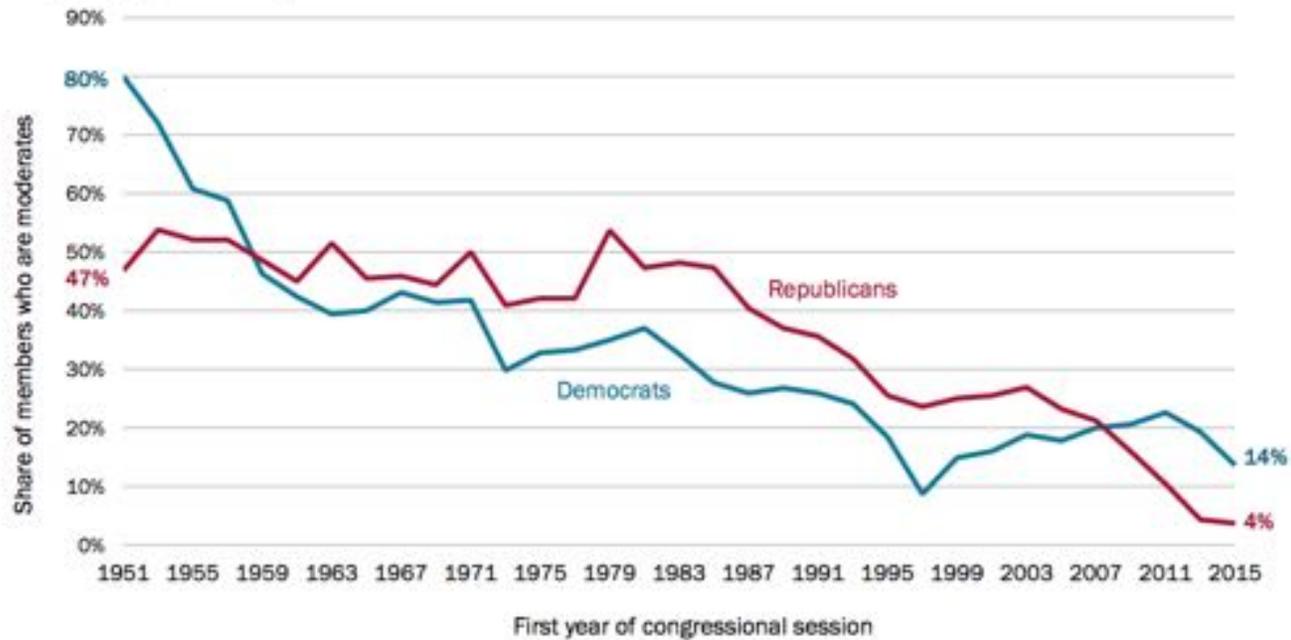
Source: Katherine Gehl and Michael Porter, Why Competition in the Politics Industry is Failing America. Harvard Business school. 2017

THE VANISHING CENTER: THE CONGRESSIONAL CENTERIST

As the current political climate becomes ever more partisan, the most moderate members are leaving both the Senate and Congress. The following two charts track the declining proportion of moderates in both houses thru 2015. In 2016 – 2017 we have seen an acceleration of this trend – especially the high number of Republicans who are choosing not to run for reelection.

FIGURE 3: DECLINING PROPORTION OF MODERATES IN THE SENATE

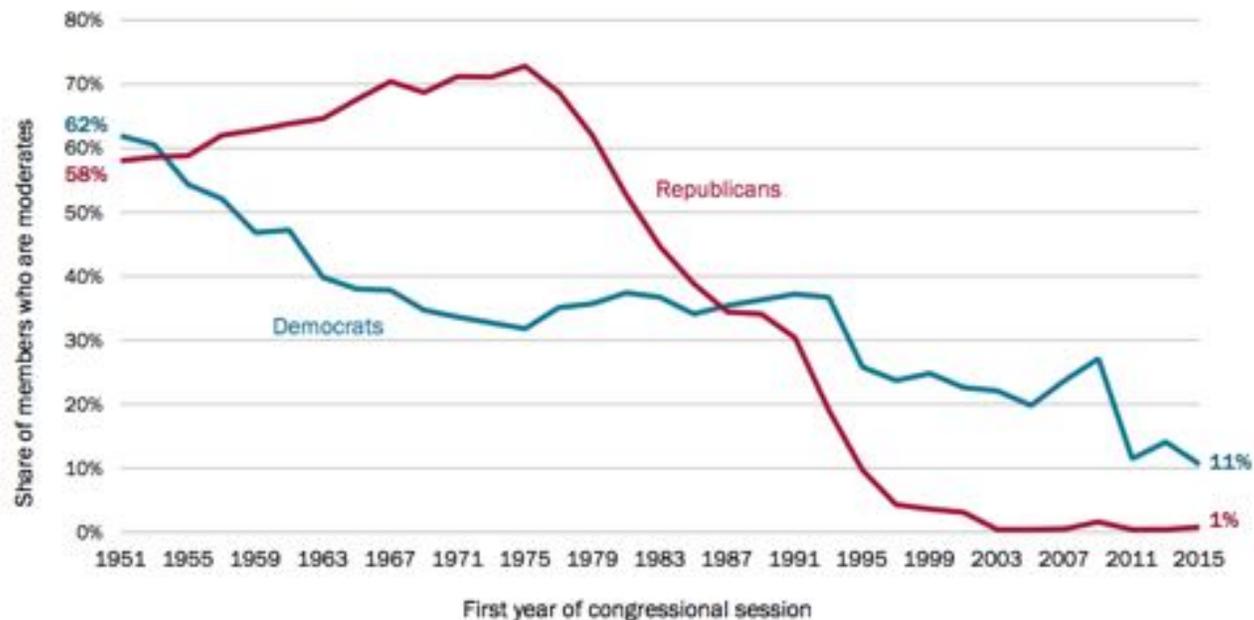
As of the 114th Congress (starting 2015), 14% of Democrats and 4% of Republicans in the Senate are moderates. In 1951, roughly 50% of Republicans and 80% of Democrats were moderates.



The decline of moderates in the House follows a similar trend as the Senate.

FIGURE 4: DECLINING PROPORTION OF MODERATES IN THE HOUSE OF REPRESENTATIVES

As of the 114th Congress (starting 2015), 11% of Democrats and 1% of Republicans in the House are moderates. In 1951, roughly 60% of both Republicans and Democrats in the House were moderates.



Case Example: Democratic Congressman Jason Altmire

Jason Altmire served three terms (2007 – 2012) representing Pennsylvania’s 4th District. As a centrist Democrat, he was defeated in the 2012 Democratic primary by the more partisan Mark Critz, who then went on to lose the seat in the general election to Republican Keith Rothfus.

The following excerpt is taken from Altmire’s book, DEAD CENTER, How Political Polarization Divided America and What We Can Do About it.

My time in the house showed me how difficult it is to be a centrist in Congress. At home, you win the respect of thoughtful moderates more interested in making progress than scoring political points. In Washington, you draw the ire of partisans on both sides. In primaries, you find yourself fighting for survival against activists who are outside of the mainstream and don't understand the first thing about how to win a swing district in the general election.

You spend hours every day raising money – making hundreds of phone calls per week and attending countless fundraisers. You watch every word you say to avoid ending up the centerpiece of a campaign ad or a viral social media post that could be targeted to voters of either party.

At any time, you are in danger of being targeted by a Super PAC or other outside group that can come into the district and airdrop millions of dollars worth of negative ads based upon a skewed interpretation of one of the thousands of votes you cast. You are pressured by party leaders to take votes you know are not representative of the district you were elected to serve.

Through it all, you work hard to build friendships with colleagues on both sides of the aisle, trying to solidify working coalitions in order to achieve the bipartisan compromise so elusive in Congress today. You meet with constituents to learn their issues and generate new ideas, some of which you turn into legislation.

Regardless of party affiliation, you help constituents with their casework concerns, ranging from VA benefits to adopting foreign babies to student loans to Social Security to emergency passport renewals,

just to name a few. In casting votes, you do the best you can to strike the balance between representing the district and following your own compass.

One of the things you don't do much as a centrist is polarize. There is no time for that. You also don't spend much time thinking about how to make the other side look bad, because if you want to be successful, you have to work with members of both parties.

Unlike those representing safely gerrymandered seats, members from swing districts hear both sides of an issue and have to consider multiple levels of information before deciding how to vote. Most partisans in Congress have the luxury of just voting the way their leadership wants them to. Not so for the centrists.

PROMISING RESULTS FROM REDISTRICTING AND OPEN PRIMARIES IN CALIFORNIA

In 2008, California voters passed Proposition 11, which handed redistricting over to an independent commission. In 2010, California passed Proposition 14, which established nonpartisan, top-two primaries for all non-presidential federal and state elections. This system allows California's independent and unaffiliated voters (comprising 24% of the state's voting eligible population) to participate in all congressional and state primaries, with the top two candidates advancing to the general election.

A recent study indicates that, even after only five years, California is seeing the benefits from these changes. The research concludes:

- California now has the most competitive elections in America.
- A record number of incumbents have been defeated in California over the last five years.
- California legislators have broken with their parties on key votes.
- Multiple current and former legislators embrace California's top two primaries.
- Public approval ratings for the California state legislature have skyrocketed.

The study concludes, "The system has quickly propelled California from a symbol of legislative dysfunction to a blueprint for successful electoral reform."

This material is excerpted from the article by Stephanie Geier of Open Primaries, published October 26, 2017. For a full report go to <https://ivn.us/2017/10/26/5-early-successes-californias-nonpartisan-open-primary/>