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## Testimony on SB0428

February 18th, 2016

Public Funding and Small Donor Act for General Assembly Elections  
Education Health and Environmental Affairs

### Position: Favorable

Maryland PIRG is a state based, citizen funded public interest advocacy organization with grassroots members across the state and a student funded, student directed chapter at the University of Maryland College Park. For forty years we've stood up to powerful interests whenever they threaten our health and safety, our financial security, or our right to fully participate in our democratic society. Our Democracy for the People Campaign's aim is to curb the impact of big money on our democracy and empower everyday citizens.

We strongly support SB428, to establish a pilot program for small donor financing for state elections. The program is designed to encourage candidates to voluntarily reject large and corporate contributions by providing limited matching funds for small donations from their constituents. This serves the dual purpose of reducing corporate and mega donor campaign spending and re-engaging the community in the electoral process.

**BACKGROUND:** Recent decisions by the U.S. Supreme Court, like the *Citizens United* and *McCutcheon* decisions have lifted limits on the amount of money that corporations and the super wealthy can spend to influence elections giving them increased influence over who runs for office, what issues make it onto the agenda, and often who wins.

The meteoric rise of election spending since these Supreme Court decisions means candidates and elected officials are often trapped spending an increasing amount of time fundraising from big donors, giving them less time to hear from and serve their constituents. It has also exacerbated the already shrinking faith that citizens have in their elected officials, as evidenced in the recent midterm elections, which saw the lowest turnout since World War II.

State offices are not exempt from these issues – in fact, we expect the removal of restrictions on aggregate contributions limits to lead to increased spending by mega donors on local elections. Our research has found that this decision will ultimately cause \$1 billion in increased spending through the 2020 elections from less than 3,000 donors.<sup>i</sup>

A 2015 NYT poll found that, “Americans, regardless of their political affiliation, agree that money has too much influence on elections, the wealthy have more influence on elections, and candidates who win office promote policies that help their donors.”<sup>ii</sup> It also found:

- 66% think “wealthy Americans have more of a chance to influence the elections process than other Americans.”
- 84% think “money has too much influence on American political campaigns.”
- 85% think “candidates who win public office promote policies that directly help the people and groups who donated money to their campaign most or some of the time.
- 77% support “limiting the amount of money individuals can contribute to political campaigns”

**WHAT YOU CAN DO:** It’s time to create a campaign finance system where every citizen, regardless of wealth has more or less equal opportunity to influence the actions of our government. To restore political equality in our democracy, campaign contributions should be limited to what the average American can afford and candidates should only be able to raise money from the people they would represent.

The fight to overturn Citizen’s United will likely be decades long, but there is a lot we can do now. While the Supreme Court has decisively ruled against restrictions on spending levels and corporate electoral spending; they have created an opportunity for us to use a carrot instead of a stick. And that is why we are here today. In Maryland the carrot is a small donor empowerment system, a voluntary system which enables candidate who reject large and corporate contributions to run a competitive race with small donor funding from their constituents.

In Maryland, Montgomery County became the first county to establish a small donor incentive program for county races. On Tuesday, February 16th, the Howard County Council held a hearing on a similar program for local races. And Maryland Congressman John Sarbanes is the author of the Government by the People Act, which would enact this program for congressional races.

Small donor matching programs have a track record of success. New York City’s program allowed participating candidates in the 2013 city council race to raise 61% of their contributions from small donations and matching funds. That year, 92% of candidates running in the primary participated in the program.

In addition to strengthening our state’s democracy, the program will serve as example for the rest of the country. By putting small donor incentives into action in Maryland and in communities across the state and country, the public will see the effectiveness of the program, building the support and track record we need to pass federal reform.

There is no doubt that the Supreme Court has dealt our democracy a significant blow. But it is within our power to reverse the decision, empower ordinary Marylanders in in our elections, and reclaim our democracy for the people. You have an incredible opportunity to position Maryland as a leader in fixing our broken campaign finance system. I urge you to give a favorable report on **SB0428**. Thank you.

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<sup>i</sup> McCutcheon Money, Maryland PIRG and Demos, October 4, 2013, <http://marylandpirg.org/reports/mdp/mccutcheon-money>

<sup>ii</sup> Americans’ Views on Money in Politics, June 2, 2015, <http://www.nytimes.com/interactive/2015/06/02/us/politics/money-in-politics-poll.html>