

## WHY WORKING FAMILIES SHOULD SUPPORT “CLEAN ELECTIONS” PUBLIC FUNDING OF CAMPAIGNS

In just his first six months in office, Gov. Bob Ehrlich has already slashed \$700 million from the Maryland state budget. And he hopes to chainsaw at least another \$700 million in the months ahead. As he decimates funding for public schools, health care, and clean water, he refuses to close corporate tax loopholes by which his big campaign donors cheat on their taxes.

But problems in Annapolis for working families did not begin with Ehrlich. Until 2002, Democrats enjoyed a filibuster-proof, 2/3 majority in the Maryland General Assembly while the most liberal Democratic chief executive in the country, Parris Glendening, occupied Maryland's Governor's mansion. Yet, this Democratic supermajority achieved a mere handful of modest reforms and allowed public investment to drop to the point where Maryland now ranks 44th out of 50 states in spending on schools and 47th on health and social services, when measured as a percentage of state income. Moreover, the Democrats in the 1990s never came close to enacting any of the systemic reforms that working families need most: universal health care, living wages, a higher minimum wage, universal childcare, and universal afterschool, among others. Worse, this same Democratic General Assembly – despite tireless and effective lobbying by the MD/DC AFL-CIO -- shot down every priority of the AFL-CIO last year. How come?

### Follow the Money Trail

Because lawmakers – Democrats and Republicans – owe their careers to precisely the corporate special interests most opposed to a working-family agenda. In Maryland's money-driven political system, 87 percent of all campaign contributions from organizations are donated by businesses. Business outspends labor 9:1 in Maryland when it comes to campaign contributions. As for individuals, less than 1 percent of Marylanders can afford to give a campaign contribution – the wealthiest 1 percent.

The campaign contributions of Big Business and the wealthiest 1 percent of individuals impede a working-family agenda in the following ways:

- The deep-pocket special interests have created a “wealth primary”: a preliminary contest that determines who gets to compete in the real election. The donors who judge potential candidates in this “wealth primary” are not likely to be progressive on the economic issues of most concern to working Marylanders (e.g. the right to organize, universal health care, living wages, etc.). Thus, the donors exclude most pro-worker candidates from the real election by refusing to fund them.
- The few progressive candidates brave enough to ignore the wealth primary and run for office almost always discover that the superiority in money enjoyed by business-backed candidates is simply too much to overcome. When it comes to campaign contributions in Maryland, organized labor is outspent by business 9-1; minorities by whites about 15-1; and environmentalists by developers and polluters approximately 20-1.
- After the election, deep-pocket contributors enjoy privileged access in Annapolis because lawmakers, in effect, owe their jobs to them. This enables the corporate big boys to ram through their special-interest legislation – and block bills that would benefit working families.
- The special interests maintain their privileged access thanks to continual fundraisers, where they lobby lawmakers. Many lawmakers don't like it, but they need to raise money nonstop to scare off potential challengers and climb the leadership ladder in Annapolis. The result? On issue after issue of concern to working families, lawmakers hear only Big Business' perspective -- and the concerns of working families get ignored.

## **Towards a Solution: “Clean Elections” Public Funding of Campaigns**

To level the playing field for working families in Maryland, we need to reduce the power of the Big Money special interests in Annapolis – interests that contributed \$75 million in the 2002 election, double what they gave in 1998.

Strict limits on fundraising and expenditures would accomplish this goal. But the Supreme Court refuses to countenance mandatory campaign expenditure limits, calling them a violation of free speech.

It is futile to tinker around the edges of a campaign finance system whose main features the courts declare sacrosanct. We need to adopt a proven alternative to that system. That alternative is Clean Elections campaign finance reform as practiced in Arizona and Maine. Here’s how it works:

- To participate, a candidate must demonstrate broad community support by collecting a large number of small contributions in the district he wishes to represent.
- If successful, he receives enough money from the public Treasury to wage a competitive campaign.
- If a privately financed opponent outspends him, he receives offsetting funds to keep pace, up to a certain limit.

### Advantages of Clean Elections:

- It enables citizens with community support but ordinary financial means to run for office.
- By encouraging electoral competition, public funding widens debate.
- It frees candidates and lawmakers from incessant fundraising, removing the appearance and reality of corruption.
- Participation in the publicly funded system is voluntary; by leaving the private campaign finance system alone, the Act is immune to judicial challenge.
- Clean Elections candidates who win owe nothing to fat cat contributors, reducing the latter’s privileged access in Annapolis.
- Maryland’s Clean Elections system would cost less than \$2 per resident per year – a small price to pay for real democracy and significantly less than the current system, which lavishes pork on special interest contributors.
- *This reform especially benefits organized labor because unions are one of the few types of organizations that can mobilize enough activists to collect the \$5 qualifying contributions on behalf of their endorsed candidates. In this way, labor could field a well-financed slate of pro-worker candidates in every single district in the state.*
- *Clean Elections reform has already been implemented in Maine and Arizona, where it is accomplishing all the benefits described above. Indeed, Maine just became the first state in the country to enact universal health care. Does anybody believe that could have happened without first reducing the influence of the HMOs and pharmaceutical companies?*

## **In 2004, Progressives Have an Unprecedented Opportunity To Enact Clean Elections Reform in Maryland**

In 2002, the General Assembly passed a bill to create an official task force to examine Clean Elections reform and make recommendations for Maryland. This distinguished study commission, chaired by the Dean of Liberal Arts at the University of Baltimore, Carl Stenberg, will issue its final report in the autumn of 2003. The Stenberg Commission has already decided to recommend in favor of Clean Elections reform. Now it is finalizing a detailed draft statute, which it will submit shortly to the General Assembly.

Considering its distinguished membership, exhaustive deliberations, and what will surely be a persuasive report, the Stenberg Commission could do for campaign finance reform what the Thornton Commission did for public schools. The Stenberg report comes at the perfect time to enact major reform:

- **Everybody Agrees That Maryland Suffers from a Campaign Finance Problem.** The 2002 election cycle was by far the most expensive in Maryland's history. Special interests pumped \$75 million into that election, double what they spent in 1998. Since 1990, the gubernatorial inflation rate has skyrocketed 726%. During the 2002 campaign, the media reported incessantly on the unprecedented sums of money spent. At least \$1 million in contributions from the gambling industry alone – timed to influence the high profile fight over legalization of slot machines -- has reinforced the general consensus that Maryland suffers from a campaign finance problem. Even the FBI is investigating the campaign finance mess in Annapolis.
- **Strong Support from the Media.** The *Washington Post* and *Baltimore Sun* both support Clean Elections reform, so editorials and newspaper stories will create a pro-Stenberg climate that lawmakers will find difficult to ignore.
- **Key Lawmakers Either Support Clean Elections or are Persuadable.** Gov. Ehrlich says he supports public funding of campaigns. The two committee chairs who will consider the bill, Del. Sheila Hixson and Paul Sen. Hollinger, are sympathetically inclined. Senate President Mike Miller has not ruled out support for the Stenberg recommendation (and, because of the FBI investigation, he can not simply torpedo it). Speaker Mike Busch is a progressive Democrat who will give this issue a fair-minded hearing.
- **Clean Elections Will Help Close the Budget Deficit.** Over the past year, Progressive Maryland, the State Fed, and allies have demanded closure of hundreds of millions of dollars in corporate tax loopholes as the best way to balance the state's budget. A focus on loopholes, in turn, has prompted the natural question: "How did they get there?" And this question, in turn, is giving advocates of Clean Elections one of our strongest arguments in favor of reform: tax loopholes are payola to corporate campaign contributors. If Maryland wants to climb out of this budget deficit and achieve more fiscal discipline in the future, the single best step we can take is to enact Maine-style campaign finance reform.
- **Clean Elections is Incumbent-Friendly.** When incumbent lawmakers learn how the system works in Maine and Arizona, they will see that this reform is in their self-interest. Already in Maine and Arizona, almost half of incumbents use the publicly funded system. And in both states 90% of incumbents still win re-election (as they do in Maryland). Why? Because incumbents enjoy plenty of other advantages over challengers besides a fundraising edge. They have superior name-recognition, more contacts among activists, better campaign skills, more experience, a proven track record, etc. Incumbents in both states like the system because it eliminates the worst aspect of their job (fundraising) and frees them after the election to vote their conscience (not as contributors and corporate lobbyists demand).
- **The Maryland/DC AFL-CIO already endorses public funding of campaigns.** But because progressives now have a shot of enacting it, labor unions and all working families should make passage of the Stenberg recommendation a top priority in the 2004 session of the General Assembly.

Join the growing movement in Maryland to bring Clean Elections to our state, a movement that includes Progressive Maryland, NAACP, Alliance of Retired Americans, AARP, the League of Women Voters, Sierra Club, Common Cause/Maryland, American Jewish Congress, and dozens of other groups. **To get involved, contact Sean Dobson of Progressive Maryland at [sean@progressivemaryland.org](mailto:sean@progressivemaryland.org) or 301.495.7004.**

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