

WHY WORKING FAMILIES SHOULD SUPPORT CLEAN ELECTIONS PUBLIC FUNDING OF CAMPAIGNS

With the exception of the brief Ehrlich interlude, Democrats have run Maryland state government for decades. Yet, despite a filibuster-proof, 2/3 majority in the General Assembly and control of the Governor's mansion, Democrats achieved a mere handful of 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. Democrats have never come close to enacting any of the systemic reforms that working families need most: stronger rights to organize, universal health care, universal childcare and universal afterschool, among others. 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 3 percent of Marylanders give a campaign contribution of any kind to candidates for state office. These individual donors are almost surely disproportionately wealthy.

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

- The deep-pocket special interests have created a de facto “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 advantage 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.
- After the election, deep-pocket contributors enjoy privileged access in Annapolis because lawmakers owe them – big-time. This enables the corporate big boys to ram through their special-interest legislation (e.g., electricity deregulation) and block bills that would benefit working families (e.g., universal health care).
- 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 mainly Big Business' perspective -- and the concerns of working families get short shrift.

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 \$94 million in Maryland’s 2006 election -- a 69% increase over the 2002 election.

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, Maine and Connecticut. 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. In other words, Clean Elections reform makes it much easier for union members to run for office.
- 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 deep-pocket special interests, reducing the latter’s privileged access in Annapolis.
- The system’s modest, \$8 million annual cost would be funded not by tax dollars, but instead by revenue from unclaimed property reverting to the state, such as abandoned cars and ownerless bank accounts.
- *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 was 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 2008, PROGRESSIVES HAVE AN UNPRECEDENTED OPPORTUNITY
TO ENACT PUBLIC FUNDING OF CAMPAIGNS IN MARYLAND**

Sen. Paul Pinsky and Del. Jon Cardin will submit legislation in the 2008 session of the General Assembly based on the recommendation of an official Maryland study commission. This legislation comes at the perfect time to enact major reform:

- **The Special Interests Are Pumping More and More Money into Maryland Politics.** The banking industry, energy monopolies, and other special interests pumped \$94 million into Maryland's 2006 election -- a 69% increase over the 2002 election. Only 2.7% of Marylanders gave a contribution of any kind; corporate entities gave 22 times more than non-profit entities; and the average size of contributions increased dramatically.
- **Strong Support Statewide for Public Funding of Campaigns.** An October 2007 statewide poll shows 72% of Marylanders support Arizona-style public funding of campaigns. Progressive Maryland, the League of Women Voters, Common Cause, NAACP, Sierra Club, AFL-CIO, League of Conservation Voters, NOW, and other organizations endorse the bill. The *Washington Post* and *Baltimore Sun* both support public funding of campaigns. The House of Delegates passed this legislation in 2006; but it fell just one vote short of passage on the Senate floor in 2007. We are very close to passing this bill.
- **Fiscally Responsible.** The modest, \$8 million approximate annual cost of the system would be financed not by tax dollars, but instead by revenue from the sale of unclaimed property that reverts to the state each year, such as abandoned vehicles and ownerless bank accounts. Moreover, once in place, the system will save taxpayer dollars. That's because once lawmakers no longer owe favors to deep-pocket contributors, there will be less incentive to reward special interests with tax loopholes, porkbarrel spending, and multibillion giveaways such as electricity deregulation.
- **Public Funding is Incumbent-Friendly.** As incumbent lawmakers learn how the system works in Maine and Arizona (and now also Connecticut), they understand that this reform is in their self-interest. That's why more and more say they will vote for the Pinsky/Cardin bill. 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). That's why incumbents in Connecticut voted overwhelmingly in 2005 to enact this reform into law.
- **The Maryland/DC AFL-CIO and most major Change To Win unions already endorse public funding of campaigns.** But because progressives now have a shot of enacting it, the labor movement and all working families should make passage of the Pinsky-Cardin bill a top priority in the 2008 session of the General Assembly.

The growing movement in Maryland to bring Clean Elections to our state includes the AFL-CIO, Progressive Maryland, NAACP, Alliance of Retired Americans, and many other groups.