The 2006 Election
In Maryland, Maine, and Arizona:

A comparison of campaign finance regimes

Johnny Papagiannis
Jonas Bohl
Sean Dobson

Progressive Maryland Education Fund

February 2007

New data uncovered by the Progressive Maryland Education Fund, detailed below in this report, show that the 2006 election in Maryland shattered 2002's record for amount of money raised by candidates for state office. As the campaign inflation rate accelerates, candidates feel obliged to spend more and more time begging from wealthy special interests and less and less time talking to regular voters. But the 2006 campaign finance picture is not all bad – at least outside of Maryland. In Maine and Arizona, voluntary, publicly funded campaign finance systems continued to work well through a fourth election cycle, reducing the undue clout of the special interests and returning power to the voters. The Maine/Arizona model offers a solution to Maryland's woes in the wake of an election when Maryland's voters expressed anger at the undue influence of the special interests and desire for reform.

The Bad News: Maryland's Campaign Finance Mess Keeps Getting Worse

In Maryland's 2006 election, the total dollar amount of campaign contributions to candidates running for state office jumped to a shocking $93,629,572 – a 69% increase over the 2002 election.[i]

All that money might not be a problem if it were donated by regular citizens – firefighters, clerks, small-business owners, etc. But in fact, the money comes from a small and unrepresentative group of individuals and special interests.

Individuals gave 63% of the money and organizations 37%. If we look at individual contributors, the first thing we notice is how *few* of them there are. Only approximately 2.7% of Marylanders gave a campaign contribution of any kind during the 2006 cycle. The average contribution from individuals was $200 – a 21% increase compared to the average contribution in 2002. It seems very likely that this small group of people giving such big (and ever larger) contributions is disproportionately wealthy.

The disproportionate role played by wealthy donors in Maryland's campaign finance system is even more glaring when we look at contributions from organizations (e.g., PACs, corporations, unions, nonprofit groups, etc., all of which under Maryland law may give to candidates for state office).

Opponents of campaign finance reform often claim that organizational donors represent a broad and healthy cross-section of society, ranging from the League of Conservation Voters to the Chamber of Commerce to the AFL-CIO to Right to Life.

Nothing could be farther from the truth. In Maryland's 2006 election, for-profit entities (be they companies or business PACs or business trade associations) outspent non-profit entities (unions and nonprofit advocates) by 22:1. And the

money came in big chunks, with the average contribution at $529 – a 38% increase over the 2002 average.

Thus, a relative handful of business special interests and wealthy individuals disproportionately bankroll the careers of our elected officials in Annapolis. Research by the Progressive Maryland Education Fund[ii] and Common Cause Maryland,[iii] among others, documents how this special-interest money translates into undue influence after the election, when big campaign contributors receive privileged attention in Annapolis at the expense of the 97% of Marylanders who do not write campaign checks.

The Good News: Maine and Arizona Offer a Proven Solution to the Problem

In the Year of Abramoff, voters spoke loud and clear in the 2006 election against this tidal wave of special-interest money and the undue influence it purchases. Opinion polls show that a major reason why Republicans lost the national election was the perception of the corrupting influence of big campaign donors and lobbyists on the GOP (e.g., Ney scandal, Abramoff Scandal, Duke Cunningham scandal, Halliburton, etc.). At the state level, multiple polls confirmed that voters liked Gov. Bob Ehrlich, but thought his Administration was too close to deep-pocket campaign contributors (e.g., BGE/Constellation, construction magnate Willard J. Hackerman, etc.). And at the local level, voters rebelled against overweening real estate developers and their big campaign contributions by electing Smart Growth candidates to county and city governments across Maryland.

Will the newly elected General Assembly act on its mandate to take power away from the special interests and return it to the voters?

Legislators could do so right now by adopting a successful, proven reform from Maine and Arizona: voluntary, public funding of campaigns. Public funding of campaigns makes it possible to pass laws to benefit all the voters, not just the HMOs, pharmaceutical companies, and other special interests that fund the campaigns of elected officials.

Public funding of campaigns is already law in Maine and Arizona, where it has worked well through four election cycles (Connecticut enacted the reform in 2005 and will use it for the first time in 2008). It is a proven, sensible way to change the status quo so that voters can take back control of politics and make elected officials accountable.

Here's how it works:

- To participate in the voluntary, publicly funded system, a candidate must demonstrate broad community support by collecting several hundred small contributions in the district she wishes to represent.

- If successful, she receives enough money from the public Treasury to wage a competitive campaign and agrees to accept no private donations.

- If a privately financed opponent outspends her, she receives offsetting funds to keep pace, up to a certain limit.

Advantages of Public Funding of Campaigns:

- It enables citizens with community support but ordinary financial means to run for office.

- It frees candidates and lawmakers from incessant fundraising, giving them more time to listen to regular voters.

- Participation in the publicly funded system is voluntary; by leaving the private campaign finance system alone, the Act is immune to judicial challenge.

- Publicly funded candidates who win owe nothing to the insurance companies, energy monopolies, and other special interests that fund campaigns under the current system. In this way, public funding of campaigns would reduce the undue influence of the special interests in Annapolis.

- Thus, it would restore voter confidence in government, which, according to opinion polls, continues to decline in the Era of Abramoff.

An official Maryland state study commission recommended in 2004 that our state adopt the Maine/Arizona model.[iv] Sen. Paul Pinsky and Del. Jon Cardin have introduced legislation based on the study commission's recommendation.[v] In 2006, this bill passed the House of Delegates and the Senate EHEA committee approved it.[vi] In the current session of the General Assembly the bill's backers are seeking to pass it through the entire General Assembly and send it to Gov. O'Malley's desk.

As lawmakers in the Maryland General Assembly decide whether to side with regular voters or with the deep-pocket special interests, they should be aware that the Maine/Arizona model worked well in the 2006 election – just as it did in three previous elections.

The 2006 Election in Maine and Arizona[vii]

In Maine's 2006 election, more than 80% of candidates opted into the voluntary system, an increase over the previous election. In Arizona 59% of candidates opted in, likewise an increase.

The system is popular among candidates in Maine and Arizona because it provides enough funding to wage a competitive campaign. About half of all publicly funded candidates in both states won election to office.

Obviously, incumbent lawmakers in Maryland will not support a reform that hurts their chances of re-election. The 2006 election in Maine and Arizona shows – for the fourth straight election -- that incumbents have nothing to fear from this reform. In Maine, 82% of incumbents opted into the voluntary system, an increase over the previous election. Of publicly funded incumbents, 92% won re-election. In Arizona, 40% of incumbents opted in, about the same as the previous election. Of these, 93% won.

If the system were anti-incumbent, why do many more incumbents use the system now than when it was first instituted? Why do incumbents in both states enthusiastically fund the program year after year? Why do incumbents in Maine and Arizona win re-election 90% of the time – just as they do in most states (including Maryland)? Incumbents in Maine and Arizona like the system. And they like it for a simple reason: it eliminates the worst part of their jobs – begging for money from special interests – while doing nothing to hurt their chance of re-election.

The system enjoys bipartisan support. In Maine, 92% of Democratic candidates and 72% of Republican candidates opted in. In Arizona, 26 Democrats were elected as publicly funded candidates, compared to 18 Republicans.

The public, too, likes the system in Maine and Arizona. Opinion polls in both states show strong support. Moreover, despite the ease in Maine and Arizona with which one can put an initiative on the ballot, in neither state have voters repealed the reform via ballot initiative – again, indicating widespread popular support for it.

Reduced Special-Interest Clout

In Maine, 84% of the legislature ran as publicly funded candidates. That means the vast majority of lawmakers in Maine owe no favors to deep-pocket special interests. No wonder Maine was the first state to put itself on track for universal

health care coverage. In Arizona, 42% of the new legislature and 9 out of 11 statewide office holders ran and won as publicly funded candidates. The Arizona system also covers races for Governor and the state's chief executive, Janet Napolitano, was a publicly funded candidate. Her first act in office was an Executive Order to slow the skyrocketing cost of prescription drugs by ordering the state to purchase drugs in bulk. Big reforms such as these are difficult to achieve without first curtailing the undue influence of HMOs, pharmaceutical companies, and for-profit health care providers.

Summary

In late 2005, an opinion poll conducted by bipartisan Gonzales Research and Marketing Strategies found that 73% of Marylanders favor Arizona-style reform. The 2006 election confirmed this finding in that voters spoke loud and clear against the undue clout of developers, electricity monopolies, and other wealthy special interests that fund politicians' campaigns. Will legislators in the Maryland General Assembly side with the people and against the special interests by adopting the proven reform from Maine and Arizona? Or will lawmakers stick with a campaign finance regime they themselves dislike and which benefits special interests at the expense of the common weal?

---

[i] Maryland campaign finance data from database on website of Maryland State Board of Elections at: http://www.elections.state.md.us/campaign_finance_database/index.html

[ii] See research at https://progressivemaryland.org/page.php?id=982 and at https://progressivemaryland.org/page.php?id=397

[iii] http://www.commoncause.org/site/pp.asp?c=dkLNK1MQIwG&b=1707057

[iv] See report at: https://progressivemaryland.org/files/public/documents/reports/2004//Final%20Report%20of%20the%20Study%20Commission%20on%20Public%20Funding%20of%20Campaigns%20in%20Maryland.pdf

[v] http://mlis.state.md.us/2007rs/billfile/sb0546.htm

[vi] Del. Cardin's bill: http://mlis.state.md.us/2006rs/billfile/hb1054.htm. Sen. Pinskys bill: http://mlis.state.md.us/2006rs/billfile/sb0569.htm

[vii] Information about the 2006 election in Maine by Common Cause of Maine and available from that organization. Information from Arizona 2006 election by Clean Elections Institute at: http://azclean.org/documents/2006ElectionStatistics_000.PDF