

March 8, 2018

**Testimony on CB-4
Fair Election Fund**

When combined with rising wealth inequality, the post-*Citizens United* world of campaign finance regulation has resulted in a political environment that is slowly widening a chasm between regular Americans and elected officials. As campaign regulations are struck down, candidates must rely more and more heavily on wealthy corporate and individual interests to run competitive campaigns. Many Marylanders, unable to compete with \$6,000 donations or even larger independent expenditures, drop out of political participation. Even the wealthy, in this climate, feel beleaguered by the constant asks for funding from every direction.

Fair Election Funds, like the one described in CB-4, help return democratic power to the communities that adopt them and have been gaining steam across Maryland since the General Assembly enabled them in 2013, but they have been in existence for much longer than that. New York City's candidates have had a similar program for decades, which results in city residents being four times more likely to participate in their local elections, which have such a program, than they are in state races, which do not.

Fair Election Funds rest on a simple idea – that people should be able to run on the power of their ideas instead of their access to wealthy backers. In the program, candidates agree to only take donations of a certain size or less, typically \$150. Additionally, candidates agree to only accept donations from individuals. In return, candidates are eligible to receive matching funds for those donations, which allows those candidates to still run competitive elections entirely backed by their community.

Candidates must first qualify for the fund by collecting a minimum amount of money in qualifying contributions from a minimum amount of donors. Those minimums change depending on the race (Executive, At Large, Council District), and are designed to ensure that only candidates with public support are able to participate, helping to ensure responsible stewardship of public funds used for the program.

Once a candidate has qualified, they are eligible to receive matching funds which are designed to incentivize small dollar donors. Currently, the proposed Prince George's Program would provide the greatest incentives for donors of \$25 or less.

Matching funds are provided in tranches. Under the current proposal for example, if Resident X donates \$150 to a candidate in the program, the first \$25 of that would be matched at 7:1, providing \$175 in matching funds for a \$25 donation. The next \$50 of that donation would be matched at 5:1, providing \$250 for the 2nd \$50 of a donation. The final \$75 of the donation would be matched at 2:1, meaning that \$150 would be matched to the final \$75 of a donation. Putting that altogether, a

donation of \$150 in the Fair Elections program turns into \$725 total donation to a candidate (\$150 donation from an individual + \$575 in matching funds).

Public funds would also be protected by setting match caps based on data from the county's most recent election cycle information. Our research has been successful at ensuring an adequately funded program in Montgomery County, even with the late-stage addition of term limits that had not existed in previous cycles.

Under the program, the Council would additionally create a Citizens' Commission to help create recommendations for funding levels to the program, ensuring further accountability and flexibility as the program matures.

Fair Elections Funds have a long history of bringing more Americans into the democratic process, and early results from Maryland's jurisdictions back that up, with Montgomery County seeing an influx of diverse candidates relying on small-dollar funding from their community. The Fair Elections coalition and our supporters are dedicated to continue advocating for these solutions, carefully tailored to each jurisdiction, so that every Marylander can have a role in our democratic community.