

WHY WORKING FAMILIES SHOULD SUPPORT CLEAN ELECTIONS PUBLIC FUNDING OF CAMPAIGNS

In just two years on the job, Gov. Bob Ehrlich has already slashed more than \$1 billion from the Maryland state budget. 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 most priorities of the AFL-CIO. 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 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; 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 mainly 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, 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 fat cat contributors, reducing the latter’s privileged access in Annapolis.
- Maryland’s Clean Elections system would cost only \$1.30 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 2006, PROGRESSIVES HAVE AN UNPRECEDENTED OPPORTUNITY TO ENACT PUBLIC FUNDING OF CAMPAIGNS IN MARYLAND

In 2002, the General Assembly passed a bill to create an official task force to examine public funding of campaigns and make recommendations for Maryland. This distinguished, bipartisan study commission, whose members included several former and current lawmakers, issued its report in 2004, recommending in favor of public funding of campaigns for General Assembly races. Sen. Paul Pinsky and Del. Jon Cardin will submit legislation in the 2006 session of the General Assembly based on the study commission plan. 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 industry, and other special interests pumped \$75 million into Maryland's 2002 election, doubling what they had spent in 1998 and making 2002 by far the most expensive election in the state's history. And the 2006 election will surely break that record. Since 1990, the gubernatorial inflation rate has skyrocketed 726%. No wonder a recent poll of Marylanders found that 75% believe that fundraising is a major source of corruption.
- **Strong Support Statewide for Public Funding of Campaigns.** An October 2005 statewide poll shows 73% 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.
- **Key Lawmakers Support Public Funding of Campaigns.** More than 50 lawmakers cosponsored the bill in 2005. Speaker Mike Busch supports the reform, as does Chairwoman Sheila Hixson, whose Ways & Means committee voted for the bill 14-5 last year. Sen. Paula Hollinger and a majority of her colleagues on the Education, Health & Environmental Affairs committee – which has jurisdiction on this issue -- support the reform.
- **Public Funding of Campaigns Will Help Save the State Money.** Over the past three years, Progressive Maryland has demanded closure of hundreds of millions of dollars in corporate tax loopholes as the best way to balance the state's budget and pay for schools and health care. 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 public funding of campaigns one of our strongest arguments: tax loopholes are payola to corporate campaign contributors. If Maryland wants to close its long-term budget deficit and achieve more fiscal discipline in the future, the single best step we can take is to enact Maine-style public funding of campaigns.
- **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. 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 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 Pinsky-Hurson-Claggett bill a top priority in the 2005 session of the General Assembly.