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**TESTIMONY BEFORE THE WAYS AND MEANS COMMITTEE
IN SUPPORT OF HOUSE BILL 424
PUBLIC FINANCING ACT – CANDIDATE AND MATCHING FUND
REVISIONS (MARYLAND FAIR ELECTIONS ACT)**

February 2, 2021

Get Money Out (GMOM) is an all-volunteer organization that was established just over seven years ago. We now have more than 9,000 citizen supporters. We work in Maryland toward the goals that all citizens should have equal access to the ballot and an equal say in governance.

The United States has endured several decades of the vicious cycle of big-money campaign financing, high-dollar lobbying, and policies that promote economic inequality. The percentage of wealth and income held by the top 1% had skyrocketed *before* the pandemic struck while working families have not shared in the growth of the economy. Now the situation is even more extreme.

According to CNBC: “The top 1% saw their share of wealth rise to 38.6% in 2016 [while] the share of wealth held by the bottom 90% of Americans has been falling steadily for 25 years, hitting 22.8% in 2016 from 33.2% in 1989.”ⁱ Now we have seen 660 U.S. billionaires add more than \$1 trillion to their wealth in the pandemic.ⁱⁱ The bottom line is that campaigns are expensive from the point of view of nearly all candidates but dirt cheap from the point of view of multi-national corporations and billionaires.

The decade since the *Citizens United v. FEC* decision has exacerbated everything bad about the vicious cycle. A billion dollars of dark money has flowed through federal campaigns. The Brennan Center now reports that dark money may be underreported by a factor of seven and has labeled a new category “black hole money,” that is, money spent on politics and never reported in the campaign finance system, amounting to as much as \$650 million.ⁱⁱⁱ

Moreover, we are now more susceptible than ever to foreign sources of campaign spending. PACS and SuperPACs can spend unlimited sums on false advertising – now multiplied by Internet platforms faster than fact-checkers can keep pace. In the 2018 mid-term federal elections, just ten families were responsible for 7% of all spending.

The top 100 contributors in the 2020 federal election each gave between \$3.2 million and \$218 million for a total of \$1.48 billion – excluding any dark/black hole money they may have contributed or spent. That’s about 10% of all election spending. It would take only one or two of these people to intervene in a Maryland election to render our election finance landscape unrecognizable and overwhelm the efforts of local campaigns.^{iv}

The essence of democracy is equality of representation among citizens. The ever-rising level of economic inequality – combined with our corrupt campaign finance system, voter suppression campaigns, and the attribution of constitutional rights to artificial entities (such as unions and corporations) – threatens to destroy our system of democratic republicanism.

House Bill 424 can be a major step forward on leveling the playing field so that talented and civic-minded people of a broader swath of economic backgrounds have a fair chance to be elected to be Governor. *If adequately funded*, the public finance mechanism would provide some protection against invasions of outside money and would help make small donors – i. e., voters – matter much more. Rather than focusing on wealthy special interests, candidates would have a real incentive to target voters and obtain small donations which would then be matched by a multiple from the Fair Campaign Financing Fund. The smallest donations would be multiplied the most.

We know that this bill carries a fiscal note, but we believe that the real costs to our democracy, of unbridled campaign expenditures, are much higher and must be addressed as a high priority of State government. The budgetary cost is approximately 0.02% of the State’s general fund revenues. We enthusiastically and urgently ask for a favorable report.

ⁱ <https://www.cnbc.com/2017/09/27/the-top-1-percent-of-americans-now-control-38-percent-of-the-wealth.html>

ⁱⁱ <https://ips-dc.org/u-s-billionaire-wealth-surpasses-1-1-trillion-gain-since-mid-march/>

ⁱⁱⁱ <https://www.brennancenter.org/our-work/analysis-opinion/dark-money-2020-election>

^{iv} <https://www.opensecrets.org/elections-overview/biggest-donors>