



February 9, 2026

The Honorable Melissa Wells, Chair
The Honorable Kenneth Kerr, Vice Chair
Government, Labor, and Elections Committee
Maryland General Assembly

RE: Statement in Support of HB 568

Dear Chair Wells, Vice Chair Kerr, and Members of the Committee,

Campaign Legal Center (“CLC”) respectfully submits this statement in support of House Bill 568, which would allow expand Maryland’s public financing program to include campaigns for the State Senate and House of Delegates.

CLC is a nonpartisan legal organization dedicated to solving the wide range of challenges facing American democracy. Since the organization’s founding in 2002, CLC has participated in every major campaign finance case before the U.S. Supreme Court, as well as in numerous other federal and state court cases. CLC fights for every American’s freedom to vote and participate meaningfully in the democratic process, particularly Americans who have faced political barriers because of race, ethnicity or economic status.

CLC is a longtime proponent of public financing for campaigns in state and local elections. We commend the Committee for considering HB 568, a bill to permit candidates for the State Senate and the House of Delegates to participate in Maryland’s small-donor matching funds public financing program, which currently applies only to gubernatorial tickets. Adopting this bill will provide Maryland with the opportunity to broaden public engagement in democracy and amplify voters’ voices in campaigns for the Maryland General Assembly. Public campaign financing programs empower people, regardless of their personal wealth, to run for office and serve their communities.

This statement begins with a summary of HB 568. Next, we highlight empirical and academic research demonstrating how public financing of elections can help increase political participation, broaden the pool of candidates who seek public office, and reduce political corruption. We then discuss courts’ long-standing approval of public financing as a tool to strengthen participation in elections and prevent corruption. Finally, we provide recommendations to further strengthen the bill.

I. The Proposed Expanded Public Financing Program

House Bill 568 would expand Maryland's existing state public financing program to enable qualifying candidates for the offices of State Senator and Member of the House of Delegates to participate in the program and obtain public funds from the Fair Campaign Financing Fund for their campaigns. The expanded program would rely on existing rules and requirements for qualifying gubernatorial tickets while adjusting those requirements for these offices.

Under the bill, in addition to public funds, all participating candidates would be limited to receiving contributions from individuals of up to \$250 per election cycle, except for an allowance of a combined \$50,000 in personal contributions or loans or spousal contributions or loans.¹ To qualify for the program, participating candidates for State Senator would be required to raise at least 1500 "eligible private contributions"—a contribution of \$250 or less in the election cycle from a Maryland resident—and an aggregate total of \$120,000; participating candidates for Member of the House of Delegates would be required to raise at least 250 eligible private contributions and an aggregate total of \$15,000.² Participating candidates must file a notice of intent to participate in the program on or before the deadline for filing a certificate of candidacy, and they must also agree to additional requirements and restrictions on the use of public funds.³

After qualifying for the program, an eligible candidate for State Senator would be eligible for a total of \$125,000 in public funds per election, and an eligible candidate for Member of the House of Delegates would be eligible for a total of \$75,000 in public funds per election.⁴ Candidates for both offices would be provided public funds according to the following formula: \$6 of public matching funds for each dollar of the first \$50 of an eligible private contribution; \$3 of public matching funds for each dollar of the second \$50 of an eligible private contribution; and \$2 of public matching funds for each dollar of the third \$50 of an eligible private contribution. For eligible private contributions in excess of \$150, participating candidates would not receive any public matching funds for any additional amount between \$151 and \$250.⁵

Finally, the bill would update the accounting requirements for the Comptroller to ensure the Fair Campaign Financing Fund has sufficient funds to support expanded participation. Specifically, the Comptroller would be required, by June 30 of the third year preceding a gubernatorial election, to determine whether the Fund is sufficient to provide the full amount of primary election public financing to two gubernatorial tickets, 47 candidates for State Senate, and 141 candidates for Member of the House of Delegates; as

¹ HB 568, proposed Md. Code Ann., Elec. Law §§ 15-102(e), (h); 15-104(b).

² *Id.*, proposed Md. Code Ann., Elec. Law § 15-104(c)(2), (3).

³ *Id.*, proposed Md. Code Ann., Elec. Law §§ 15-104(a); 15-106; 15-109(a), (b).

⁴ *Id.*, proposed Md. Code Ann., Elec. Law § 15-107(c)(3)(II), (III).

⁵ *Id.*, proposed Md. Code Ann., Elec. Law § 15-107(c)(2)(II). The bill would additionally exclude contributions or loans from the candidate and their spouse, as well as in-kind contributions, from eligibility for public matching funds. *Id.*, proposed Md. Code Ann., Elec. Law § 15-107(4).

well as the full amount of general election public financing to one gubernatorial ticket, 47 candidates for State Senate, and 141 candidates for Member of the House of Delegates.⁶

II. Benefits of Public Financing in State & Local Elections

By passing HB 568, Maryland would build upon the success of public financing programs for other elected offices in the state, as well as programs at the state and local level across the country.⁷ In Maryland alone, five counties—Anne Arundel County (2023), Baltimore County (2020), Howard County (2017), Montgomery County (2014), and Prince George’s County (2018)—and the City of Baltimore (2018) adopted public campaign financing programs over the past twelve years. Washington, DC, likewise, successfully implemented its new public financing program in 2020.⁸

Across the country, major cities and states have also joined the trend. Denver, Colorado’s new small-dollar donor matching program went into effect in 2023,⁹ and Seattle voters reauthorized their Democracy Voucher Program for another decade just last year.¹⁰ And in 2024, New York state held its first elections under the state’s new small-dollar donor matching program, joining fourteen other states with active programs.¹¹ The experiences of cities, counties, and states around the country demonstrate that public financing augments political participation among the electorate at large, increases electoral competition by encouraging more people to seek public office, and reduces opportunities for political corruption.

While the structure and design of existing programs vary considerably—ranging from voucher programs (where eligible voters may designate “vouchers” for small amounts of public funds to the participating candidates of their choosing), to small-donor donor

⁶ *Id.*, proposed Md. Code Ann., Elec. Law § 15-103(f)(1). The bill would maintain existing law requiring the State Board, in the event the Fund is insufficient to cover this number of candidates, to send a notice to the Governor of the amount of money needed and, in turn, requiring the Governor to include in the annual budget bill an appropriation equal to that amount. Md. Code Ann., Elec. Law § 15-103(f)(2).

⁷ *Guide to Public Financing Programs Nationwide*, BRENNAN CTR. FOR JUST. (Aug. 18, 2025), <https://www.brennancenter.org/our-work/research-reports/guide-public-financing-programs-nationwide>.

⁸ CATHERINE HINCKLEY KELLEY ET AL., CAMPAIGN LEGAL CTR., DEMOCRATIZING THE DISTRICT: D.C.’S FAIR ELECTIONS PROGRAM IN 2020, 11 (2021), https://campaignlegal.org/sites/default/files/2021-10/CLC_DemocratizingTheDistrict%20%281%29.pdf [hereinafter DEMOCRATIZING THE DISTRICT].

⁹ See Joel Rubino, *Public funds are helping draw a stampede of Denver mayoral candidates*, DENVER POST (Dec. 2, 2022), <https://www.denverpost.com/2022/12/02/denver-mayor-candidate-field-tied-to-fair-elections-fund-matching-dollars>.

¹⁰ Amy Sundberg, *Seattle Renews Its Unique Approach to Public Campaign Financing*, BOLTS (Aug. 8, 2025), <https://boltsmag.org/seattle-democracy-vouchers-renewing/>.

¹¹ MARINA PINO ET AL., BRENNAN CTR. FOR JUST., NEW YORK STATE’S PUBLIC CAMPAIGN FINANCING PROGRAM EMPOWERS CONSTITUENT SMALL DONORS (2025), <https://www.brennancenter.org/our-work/research-reports/new-york-states-public-campaign-financing-program-empowers-constituent>. See also, NAT’L CONF. OF STATE LEGISLATURES, BRIEF: PUBLIC CAMPAIGN FINANCING (Sept. 9, 2025), <https://www.ncsl.org/elections-and-campaigns/public-financing-of-campaigns-overview>; CATHERINE HINCKLEY KELLEY ET AL., CAMPAIGN LEGAL CTR., BUYING BACK DEMOCRACY: THE EVOLUTION OF PUBLIC FINANCING IN U.S. ELECTIONS, 19-24 (2018), https://campaignlegal.org/sites/default/files/2018-10/2018-Building-Small-Dollar-Democracy_FINAL.pdf.

matching programs, to full grant systems, to hybrids combining multiple program designs—these programs generally share the common objectives of expanding citizens’ engagement in the electoral process, boosting electoral competition, and decreasing candidates’ dependence on large contributions. The effectiveness of public financing in advancing these critical goals is borne out in a substantial body of research assessing existing public financing systems.

a. Expanding Citizen Participation in Elections

Empirical evidence indicates that public financing programs foster political engagement among a broader and more demographically representative portion of the electorate. By providing candidates with a direct incentive to maximize outreach to eligible residents as a potential source of meaningful contributions, voucher programs and small-dollar donor matching programs can galvanize campaigns’ engagement of the electorate at large.

In Seattle, local participation in the city’s campaign finance system reached historic levels in the 2017 and 2019 election cycles, following the adoption of the Democracy Voucher program in 2015. Under this program, eligible residents receive four \$25 vouchers, which they may assign to participating candidates running for municipal office.¹² According to an analysis of Seattle’s election data, a total of 38,297 Seattle residents assigned Democracy Vouchers to city candidates in 2019, nearly doubling the 20,727 Seattle residents who assigned vouchers in the city’s 2017 election, when the program officially debuted.¹³ The use of vouchers alone represented a nearly three-fold increase over the number of contributors in Seattle elections from before the Democracy Voucher Program was implemented.¹⁴ The Program continues to foster participation in campaigns, with 48,021 residents assigning vouchers to city candidates in 2021 and 30,649 residents assigning vouchers in 2023.¹⁵ The swell in local participation facilitated by the Democracy Voucher Program is a citywide phenomenon, with residents of each of the city’s council districts giving vouchers to candidates in every election cycle since the Program began.¹⁶

¹² JENNIFER HEERWIG & BRIAN MCCABE, MCCOURT SCH. OF PUB. POL’Y, GEORGETOWN UNIV., BUILDING A MORE DIVERSE DONOR COALITION 2 & n.5 (2020), <https://georgetown.app.box.com/s/r2skgxfnc230ukkb3dfqgm4576phzabd> [hereinafter DIVERSE DONOR COALITION].

¹³ *Id.* at 2.

¹⁴ Jennifer Heerwig & Brian McCabe, *Diversifying the Donor Pool: How Did Seattle’s Democracy Voucher Program Reshape Participation in Municipal Campaign Finance?*, 18 ELECTION L.J. 323, 331 & n.15 (2019) (comparing 2017 voucher users to 2013 cash contributors).

¹⁵ SEATTLE ETHICS & ELECTIONS COMM’N, DEMOCRACY VOUCHER PROGRAM BIENNIAL REPORT 2021, at 10 (2021),

https://www.seattle.gov/documents/Departments/EthicsElections/DemocracyVoucher/Biennial%20Reports/2021_Biennial_Report_FINAL.pdf; SEATTLE ETHICS & ELECTIONS COMM’N, DEMOCRACY VOUCHER PROGRAM BIENNIAL REPORT 2023, at 7 (2023),

https://www.seattle.gov/documents/Departments/EthicsElections/DemocracyVoucher/Biennial%20Reports/2023%20Biennial_Report%20FINAL.pdf.

¹⁶ SEATTLE ETHICS & ELECTIONS COMM’N, DEMOCRACY VOUCHER PROGRAM BIENNIAL REPORT 2017, at 16 (2018),

https://www.seattle.gov/documents/Departments/EthicsElections/DemocracyVoucher/Biennial%20Reports/Final%20-%20Biennial%20report%20-%2003_15_2018%280%29.pdf; SEATTLE ETHICS &

Beyond increasing the absolute number of local campaign contributors, the Democracy Voucher Program helped to diversify Seattle’s donor pool. According to an analysis of Seattle’s 2017 elections, voucher donors were more socioeconomically representative of Seattle’s electorate than monetary contributors, and voucher donors were more likely than monetary contributors to reside in low-income neighborhoods.¹⁷ Additionally, people of color comprised a greater proportion of voucher donors as compared to monetary contributors, and voucher donors closely resembled the demographics of voters in Seattle’s 2017 elections.¹⁸ In a subsequent study of Seattle’s 2019 elections, the use of vouchers continued to increase across all income groups and all racial groups.¹⁹ Through the 2023 election cycle, voucher users continued to be “more representative of all Seattle voters than cash donors” across measures of income, gender, and race.²⁰

Recent analyses also strongly suggest that the Democracy Voucher Program not only expands and increases political participation through the *financing* of campaigns, but also leads to greater participation through *voting*. A recent study showed that the Program led to a 9% increase in voter turnout over the course of its first three election cycles.²¹ This significant finding builds on previous studies suggesting similar impacts on voter participation. The University of Washington’s Center for Studies in Demography & Ecology analysis revealed that Seattle residents who gave vouchers to city campaigns in 2017 were substantially more likely to vote on Election Day than residents who did not use their vouchers. Almost 90% of voucher donors voted in 2017, while only 43% of Seattle residents who did not use their vouchers cast a vote that year.²² Importantly, the amplified voter turnout was consistent even after controlling for residents’ voting history; among city

ELECTIONS COMM’N, DEMOCRACY VOUCHER PROGRAM BIENNIAL REPORT 2019, at 16 (2019), https://www.seattle.gov/documents/Departments/EthicsElections/DemocracyVoucher/Outreach%20Fund/2019_Biennial_Report.pdf; SEATTLE ETHICS & ELECTIONS COMM’N, DEMOCRACY VOUCHER PROGRAM BIENNIAL REPORT 2021, at 12 (2021), https://www.seattle.gov/documents/Departments/EthicsElections/DemocracyVoucher/Biennial%20Reports/2021_Biennial_Report_FINAL.pdf; SEATTLE ETHICS & ELECTIONS COMM’N, DEMOCRACY VOUCHER PROGRAM BIENNIAL REPORT 2023, at 8 (2023), https://www.seattle.gov/documents/Departments/EthicsElections/DemocracyVoucher/Biennial%20Reports/2023%20Biennial_Report%20FINAL.pdf.

¹⁷ Heerwig & McCabe, *Diversifying the Donor Pool*, *supra* note 14, at 332-33.

¹⁸ *Id.*

¹⁹ DIVERSE DONOR COALITION, *supra* note 12, figs.2 & 3.

²⁰ JENNIFER HEERWIG & BRIAN MCCABE, GEORGETOWN UNIV., PARTICIPATION AND REPRESENTATION: RESULTS FROM THE SEATTLE DEMOCRACY VOUCHER PROGRAM IN 2023 (2024), <https://college.georgetown.edu/news-story/mccabe-voucher-23/>.

²¹ Sarah Papich, *Do Democracy Vouchers help democracy?*, CONTEMPORARY ECON. POL’Y, at 2 (2023), <https://doi.org/10.1111/coep.12625>.

²² JENNIFER HEERWIG & BRIAN MCCABE, UNIV. OF WASH. CTR. FOR STUDIES IN DEMOGRAPHY & ECOLOGY, EXPANDING PARTICIPATION IN MUNICIPAL ELECTIONS: ASSESSING THE IMPACT OF SEATTLE’S DEMOCRACY VOUCHER PROGRAM, fig.10 (2018), https://www.jenheerwig.com/uploads/1/3/2/1/13210230/mccabe_heerwig_seattle_voucher_4.03.pdf.

Evidence from other jurisdictions also indicates that public financing can reduce voter “roll-off,” the phenomenon of voters abstaining from voting in down-ballot races on Election Day. See MICHAEL G. MILLER, SUBSIDIZING DEMOCRACY: HOW PUBLIC FUNDING CHANGES ELECTIONS AND HOW IT CAN WORK IN THE FUTURE 77 (2013) (finding voter roll-off decreases about 20% in Connecticut elections with a publicly financed candidate).

residents who voted in less than half of the prior elections in which they were eligible, voucher donors were four times more likely to vote than city residents who did not return their vouchers.²³ These findings strongly suggest that participation in the Democracy Voucher Program prompted greater engagement in the city's electoral process more broadly.

Small-dollar donor matching programs have long shown similar effects on participation. A study of New York City's matching funds program, where small contributions from eligible residents are matched and multiplied by public funds, found that 89% of the city's census-block groups had at least one resident who gave a small-dollar contribution of \$175 or less to a city candidate in the 2009 municipal election.²⁴ By way of comparison, individual contributions of \$175 or less to candidates for the New York State Assembly, which were not eligible for matching funds at the time,²⁵ came from residents of only 30% of New York City census-block groups in 2010.²⁶

Moreover, the same study determined census-block groups with at least one small donor of \$175 or less to a New York City candidate were statistically less affluent and more diverse than census-block groups with at least one large donor of \$1,000 or more, suggesting small-dollar matching helped to cultivate political participation among groups that are historically underrepresented in the campaign finance system.²⁷ A separate analysis of New York City elections concluded that more than half of the individuals who made a campaign contribution during the 2013 city elections were first-time contributors, and 76% of these first-time donors made a small contribution of \$175 or less.²⁸

As the findings from Seattle and New York City demonstrate, public financing of elections can bring new and diverse donors into the campaign fold. Furthermore, these experiences demonstrate that creating a public financing system that responds to emerging campaign practices can both maintain the viability of the system and encourage more citizens to participate in our democracy. Evidence from jurisdictions with public financing systems thus strongly suggests that expanding Maryland's public financing program to include state legislative offices could have a transformative effect on citizen participation in state elections.

²³ HEERWIG & MCCABE, EXPANDING PARTICIPATION, *supra* note 22, fig.10.

²⁴ ELISABETH GENN ET AL., BRENNAN CTR. FOR JUST., DONOR DIVERSITY THROUGH PUBLIC MATCHING FUNDS 10 (2012), http://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport_WEB.PDF.

²⁵ The State of New York recently adopted a matching funds program for state offices that is now in place for its 2024 elections. Rebekah F. Ward, *New matching funds for state elections touted at New York City launch event*, TIMES UNION (Dec. 1, 2022), <https://www.timesunion.com/news/article/Public-campaign-finance-launches-in-New-York-17623982.php>.

²⁶ *Id.*

²⁷ *Id.* at 14; *see also* ADAM LIOZ, DEMOS, STACKED DECK: HOW THE RACIAL BIAS IN OUR BIG MONEY POLITICAL SYSTEM UNDERMINES OUR DEMOCRACY AND OUR ECONOMY (2015), https://www.demos.org/sites/default/files/publications/StackedDeck2_1.pdf.

²⁸ N.Y.C. CAMPAIGN FIN. BD., BY THE PEOPLE: THE NEW YORK CITY CAMPAIGN FINANCE PROGRAM IN THE 2013 ELECTIONS 41 (2014), https://www.nyccfb.info/sites/default/files/pressfiles/2013_PER.pdf.

b. Increasing Measures of Electoral Competition

Empirical analyses similarly show that public financing enables more citizens to run for office and improves measures of electoral competitiveness. Candidates regularly cite the availability of public funding as a crucial factor in giving them the opportunity to enter elections and run competitive campaigns.²⁹ A recent analysis of Seattle’s Democracy Voucher Program specifically found “an 86% increase in the number of candidates per race” following the implementation of the program.³⁰ Moreover, the researchers found that, following the implementation of the Democracy Voucher Program, incumbent candidates received a smaller percentage of the final vote,³¹ indicating that the Program attracts quality challengers to run for office.³² These impacts are similar to those in other public financing programs. For example, upon taking effect in 2000, the Maine Clean Elections Act immediately increased the number of competitive candidates and decreased margins of victory in state senate elections in 2000 and 2002, as compared to state elections in 1994, 1996, and 1998, in districts where a non-incumbent candidate accepted public funding.³³

By reducing barriers to entry, public financing also increases opportunities for candidates from underrepresented groups or who lack access to deep-pocketed networks to run for office. Following the implementation of the Democracy Vouchers Program, Seattle elections saw a 25% increase in women running for city office.³⁴ Four years after Connecticut implemented a state program in 2008, representation in the state legislature grew for women and reached its highest levels for Latino representation.³⁵ Similarly, the number of Native American and Latino candidates nearly tripled after Arizona implemented its Clean Elections program.³⁶

A broader assessment of state legislative elections similarly identified a correlation between the availability of public financing and heightened competition in elections. According to an analysis of monetary competitiveness in 47 states’ elections between 2013

²⁹ See, e.g., NIRALI VYAS ET AL., BRENNAN CTR. FOR JUSTICE, SMALL DONOR PUBLIC FINANCING COULD ADVANCE RACE AND GENDER EQUITY IN CONGRESS, 10 (2020),

https://www.brennancenter.org/sites/default/files/2020-10/FINAL%20-%20SDPF%20Could%20Advance%20Race%20and%20Gender%20Equity%20in%20Congress_10.15.2020_10AM_v2_0.pdf; see also KELLEY ET AL., DEMOCRATIZING THE DISTRICT, *supra* note 8, 14.

³⁰ See, e.g., Alan Griffith & Thomas Noonan, *The effects of public campaign funding: Evidence from Seattle’s Democracy Voucher program*, 211 J. PUB. ECON. 104676, at 2 (2022),

<https://drive.google.com/file/d/15CO4PkM0iU2wxocmkqEGBi3JSIZhrleg/view?usp=sharing>.

³¹ *Id.* at 10.

³² Jennifer A. Heerwig & Brian J. McCabe, *Democracy Vouchers and the Promise of Fairer Elections in Seattle* 45 (2024).

³³ Neil Malhotra, *The Impact of Public Financing on Electoral Competition: Evidence from Arizona and Maine*, 8 STATE POL. & POL’Y Q. 263, 275-77 (2008),

<https://web.stanford.edu/~neilm/The%20Impact%20of%20Public%20Financing%20on%20Electoral%20Competition.pdf>.

³⁴ Heerwig & McCabe, *supra* note 32, at 46.

³⁵ J. MIJIN CHA & MILES RAPAPORT, DEMOS, FRESH START: THE IMPACT OF PUBLIC CAMPAIGN FINANCING IN CONNECTICUT, 13 (2013), <https://www.Demos.org/research/fresh-start-impact-public-campaign-financing-connecticut>.

³⁶ STEVEN M. LEVIN, CTR. FOR GOVERNMENTAL STUDIES, KEEPING IT CLEAN: PUBLIC FINANCING IN AMERICAN ELECTIONS, 7 (2006), <https://www.policyarchive.org/handle/10207/4523/>.

and 2014, only 18% of legislative races were competitive over that timeframe.³⁷ However, a substantially higher percentage of races—41%—were monetarily competitive in the five states with public financing available to legislative candidates.³⁸ Further, three of the five *most* monetarily competitive states had established public financing for legislative candidates, while none of the five *least* monetarily competitive states offered public funds to candidates.³⁹

c. Reducing Opportunities for Corruption

A central goal of public financing systems is to reduce opportunities for corruption by enabling candidates to run competitive campaigns and win elected office without having to depend on large contributions. By increasing candidates' ability to rely on small contributions and public funds, these systems reduce the opportunity for corruption and the appearance that elected officials are beholden to major campaign donors.

Contribution data from Seattle elections demonstrates the Democracy Voucher Program's impact on reliance on large donors in local campaigns. An academic study of contributions made in Seattle's 2013 election, prior to the city's enactment of public financing, determined that "high-dollar donors" of \$500 or more provided nearly 40% of city council candidates' total campaign funding in 2013, even as these donors comprised only 9% of the overall donor pool in city council races.⁴⁰ In Seattle's 2013 mayoral election, the impact of high-dollar donors was even more pronounced, with mayoral candidates raising, on average, 55% of their campaign funds from contributors of \$500 or more.⁴¹

By comparison, Seattle candidates who participated in the Democracy Voucher Program in 2017, 2019, and 2021 were far less dependent on high-dollar donors.⁴² As a condition of program participation, candidates were subject to a \$250 limit on monetary contributions.⁴³ In lieu of high-dollar donations, candidates in the 2017 city elections collectively raised 82% of their contributions from donors who gave \$199 or less.⁴⁴ Importantly, Seattle's subsequent election cycles demonstrated that the 2017 elections were not an outlier: In each subsequent election cycle from 2019 through 2023, candidates in

³⁷ Zach Holden, *2013 and 2014: Monetary Competitiveness in State Legislative Races*, NAT'L INST. ON MONEY IN POL. (Mar. 9, 2016), https://www.followthemoney.org/research/institute-reports/2013-and-2014-monetary-competitiveness-in-state-legislative-races#ftnref_4_link.

³⁸ *Id.* tbl.2.

³⁹ *Id.* tbls.3 & 4. Among the five states with the most monetarily competitive elections, Connecticut, Maine, and Minnesota offer public financing to legislative candidates. *Id.*

⁴⁰ Jennifer Heerwig & Brian McCabe, *High-Dollar Donors and Donor-Rich Neighborhoods: Representational Distortion in Financing a Municipal Election in Seattle*, URBAN AFF. REV. 1, 16, 23 (2017).

⁴¹ *Id.* at 18.

⁴² See Alan Griffith & Thomas Noonan, *supra* note 30.

⁴³ SEATTLE ETHICS & ELECTIONS COMM'N, DEMOCRACY VOUCHER PROGRAM BIENNIAL REPORT 2017, at 18 (2018), https://www.seattle.gov/Documents/Departments/EthicsElections/DemocracyVoucher/Final%20-%20Biennial%20report%20-%202003_15_2018.pdf.

⁴⁴ SEEC Chart of 2017 City Elections Contributors, sortable by size and type, <http://web6.seattle.gov/ethics/elections/charts.aspx?cycle=2017&n1=contributions&n2=size&n3=groupings&n4=allcategories&n5=allcandidates&n6=number#aChartTop> (last visited Jan. 15, 2024).

Seattle elections collected 90% of their contributions from donors who gave \$199 or less.⁴⁵ Democracy Vouchers in Seattle markedly reduced the primacy of large contributions in Seattle elections—validating the anti-corruption interests that program was intended to serve.

Small-dollar donor matching funds programs have similarly reduced candidates' heavy reliance on large donations. An analysis of New York City's long-running matching funds program found that the city's implementation of multiple matching funds in 2001, providing at the time a 4:1 match for residents' contributions of \$250 or less, significantly increased both the total number of small dollar contributors to city candidates, as well as the proportional importance of these small dollar contributors to competitive city council candidates participating in the matching funds program.⁴⁶ These effects were consistent across challengers, incumbents, and open-seat candidates.⁴⁷ After New York State implemented its own matching funds program in 2024, "about twice as many" New Yorkers made small-dollar in-district donations of \$250 or less as in 2020 or 2022.⁴⁸ Large donations—\$1,000 or more—from political committees and corporations "decreased from 70 and 72 percent of candidates' funding in 2020 and 2022, respectively, to 38 percent in 2024."⁴⁹

In Washington, DC, the size of the average donation to city council candidates fell by about 50% after the city implemented its small dollar matching program in 2020.⁵⁰ In that election, candidates who participated in the program received 76% of their contributions from small dollar donors who lived in the District; candidates who did not participate in the program relied more heavily on large donations, receiving only 27% of their contributions in small donations from DC residents.⁵¹

⁴⁵ SEEC Chart of 2019 City Elections Contributors, sortable by size and type, <http://web6.seattle.gov/ethics/elections/charts.aspx?cycle=2019&n1=contributions&n2=size&n3=groupings&n4=allcategories&n5=allcandidates&n6=number#aChartTop> (last visited Mar. 24, 2025); SEEC Chart of 2021 City Elections Contributors, sortable by size and type, <http://web6.seattle.gov/ethics/elections/charts.aspx?cycle=2021&n1=contributions&n2=size&n3=groupings&n4=allcategories&n5=allcandidates&n6=number#aChartTop> (last visited Mar. 24, 2025); SEEC Chart of 2023 City Elections Contributors, sortable by size and type, <https://web6.seattle.gov/ethics/elections/charts.aspx?cycle=2023&n1=contributions&n2=size&n3=groupings&n4=allcategories&n5=allcandidates&n6=number> (last visited Mar. 24, 2025).

⁴⁶ Michael J. Malbin et al., *Small Donors, Big Democracy: New York City's Matching Funds as a Model for the Nation and States*, 11 ELECTION L.J. 3, 9-10 (2012) http://www.cfinst.org/pdf/state/nyc-as-a-model_elj_as-published_march2012.pdf.

⁴⁷ *Id.*

⁴⁸ MARINA PINO ET AL., *supra* note 11.

⁴⁹ *Id.*

⁵⁰ KENAN DOGAN & BRIAN J. MCCABE, MCCOURT SCH. OF PUB. POL'Y, GEORGETOWN UNIV., *Expanding Donor Participation in the District: An Analysis of the Fair Elections Program in Washington, DC*, 1 (2021) https://mccourt.georgetown.edu/wp-content/uploads/2022/02/DC_Fair_Elections_Report_Sept2021_ACCESSIBLE.pdf.

⁵¹ KELLEY ET AL., DEMOCRATIZING THE DISTRICT, *supra* note 8, at 11.

III. Public financing promotes First Amendment interests.

Courts have long recognized that public financing of elections promotes core principles of our democratic system. In *Buckley v. Valeo*, the U.S. Supreme Court upheld public financing as a constitutional means “to reduce the deleterious influence of large contributions on our political process,” “to facilitate communication by candidates with the electorate,” and “to free candidates from the rigors of fundraising.”⁵² The Court expressly recognized that public financing is consistent with the First Amendment, describing the presidential public funding program as “a congressional effort, not to abridge, restrict, or censor speech, but rather to use public money to facilitate and enlarge public discussion and participation in the electoral process, *goals vital to a self-governing people.*”⁵³

Since *Buckley*, federal and state courts have continued to affirm the democratic value of public financing as a tool to prevent political corruption and to strengthen citizen engagement in elections.⁵⁴ Indeed, the Supreme Court of Washington upheld the Democracy Voucher Program as “directly” supporting the City of Seattle’s interest in giving “more people the opportunity to have their voices heard in democracy.”⁵⁵

In 2011, the Supreme Court again affirmed the constitutionality and affirmative values of public financing, even as it invalidated Arizona’s “trigger” provisions that gave publicly funded candidates additional public funds in direct response to opponents’ spending or independent expenditures.⁵⁶ In *Arizona Free Enterprise Club’s Freedom PAC v. Bennett*, the Court reiterated that “governments may engage in public financing of election campaigns and that doing so can further significant government interests, such as the state interest in preventing corruption.”⁵⁷ Thus, while it foreclosed the release of public funds in *direct response* to private campaign spending, the Court declined to “call into question the wisdom of public financing as a means of funding political candidacy” or the constitutionality of these laws in general.⁵⁸

⁵² 424 U.S. 1, 91 (1976) (per curiam).

⁵³ *Id.* at 92-93 (emphasis added).

⁵⁴ See, e.g., *Republican Nat’l Comm. v. Fed. Election Comm’n*, 487 F. Supp. 280, 284 (S.D.N.Y. 1980) (“If the candidate chooses to accept public financing he or she is beholden unto no person and, if elected, should feel no post-election obligation toward any contributor of the type that might have existed as a result of a privately financed campaign.”), *aff’d.*, 445 U.S. 955 (1980); *Vote Choice, Inc. v. DiStefano*, 4 F.3d 26, 39 (1st Cir. 1993) (validating government interest in public financing “because such programs . . . tend to combat corruption”); *Rosenstiel v. Rodriguez*, 101 F.3d 1544, 1553 (8th Cir. 1996) (recognizing public financing reduces the “possibility for corruption that may arise from large campaign contributions” and diminishes “time candidates spend raising campaign contributions, thereby increasing the time available for discussion of the issues and campaigning”); *Green Party of Conn. v. Garfield*, 616 F.3d 213, 230 (2d Cir. 2010) (finding Connecticut program worked to “eliminate improper influence on elected officials”); *Ognibene v. Parkes*, 671 F.3d 174, 193 (2d Cir. 2011) (explaining that public financing system “encourages small, individual contributions, and is consistent with [an] interest in discouraging entrenchment of incumbent candidates”).

⁵⁵ *Elster v. City of Seattle*, 444 P.3d 590, 595 (Wash. 2019).

⁵⁶ *Ariz. Free Enterprise Club’s Freedom PAC v. Bennett*, 564 U.S. 721 (2011).

⁵⁷ *Id.* at 754 (internal quotation marks, brackets, and citation omitted).

⁵⁸ *Id.* at 753.

IV. Recommendations

We recommend the Committee consider the following changes in the bill to further strengthen the proposed expanded public financing program:

- (1) Required minimum appropriation. Existing law provided for a minimum appropriation of \$4 million in the Governor’s fiscal year 2023 budget bill.⁵⁹ HB 568 does not provide an updated minimum appropriation for a future budget bill for the proposed expanded program, and we recommend the Committee consider requiring a larger minimum appropriation for the proposed expanded program.
- (2) Self-funding limits. The existing program permits a gubernatorial ticket to receive up to \$50,000 in combined personal contributions or loans and spousal contributions or loans.⁶⁰ While the bill adjusts other amounts to account for the differences between running for Governor and running for either State Senator or Member of the House of Delegates—such as qualifying contribution requirements and total public funds available for a candidate—the bill does not alter the permitted amount of combined personal contributions or loans and spousal contributions or loans. We recommend the Committee consider adopting a lower limit for these contributions and loans for at least candidates for State Senator or Member of the House of Delegates.
- (3) Restrictions on repaying personal loans. While existing law provides for restrictions on the use of public funds, it does not appear to explicitly prohibit a participating candidate from using public funds to pay back a personal or spousal loan. Particularly given the large amount of personal or spousal loans that the bill would permit participating candidates to receive—indeed, candidates for State Senator or Member of the House of Delegates seemingly could use 40% or 67%, respectively, of their total public funds just repaying a maximum personal loan—we recommend prohibiting candidates from using public funds to pay themselves or their spouses back for these loans.

Finally, we note one technical edit for the Committee’s consideration. On page 9, lines 5 through 7 of HB 568, the bill amends existing law to clarify that any participating candidate running unopposed in a primary ostensibly would be eligible for a lesser amount of public funds, but the subsequent reference in that provision to “gubernatorial ticket” should also be changed to “eligible candidate” to correctly limit participating candidates to one-third of the total amount of public funds available for that specific office.⁶¹

⁵⁹ Md. Code Ann., Elec. Law § 15-103(f)(3).

⁶⁰ *Id.* § 15-104(b)(2).

⁶¹ Because the total public funds a gubernatorial ticket is eligible to receive is \$3,000,000, failure to make this change would have the nonsensical effect of making unopposed legislative candidates eligible for a substantially larger amount of public funds—\$1,000,000 (one-third of the total public funds a gubernatorial ticket is eligible for)—than a candidate running opposed in the primary would be eligible for.

V. Conclusion

House Bill 568 would help Maryland strengthen its democracy by expanding the state's existing small donor matching funds public financing program to include campaigns for state legislative office. CLC strongly supports adopting robust public financing programs for elected state and local offices and would welcome the opportunity to work with the Committee to strengthen the bill.

Respectfully submitted,

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