

# **Do Maine's Public Funding Program's Trigger Provisions Have a Chilling Effect on Fund Raising?**

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Opponents of Maine's public funding system for elections object to the provision that triggers additional money for publicly funded candidates when an opponent's spending exceeds a certain amount, which varies by office level. The opponents argue that this trigger provision has a "chilling effect" on the fundraising or spending activities of candidates who opt out of the system. It is a claim that is, in essence, a hypothesis that can be tested against the realities of candidate fund raising and spending in Maine. The hypothesis is

H<sub>1</sub>: Candidates who opt out of the public funding system will stop their fund raising and spending activities at the point just below the trigger level.

The chilling effect hypothesis is relevant to candidates who are not participating in the public funding system and who face publicly funded candidate(s) in their particular race. If the "chilling" hypothesis is correct, one would expect to find evidence of it in patterns of candidate fund raising and spending. What would those patterns look like? What would a chilling effect look like if we were to examine the spending and fund raising behavior of candidates? This report looks at the two sets of data where one would expect the chilling effect to manifest: in the patterns of candidates' fund raising and spending.

## **Total Funds Raised and Spent By Candidates**

We know from the extant empirical research on elections that amount of money that candidates raise and spend is a function of a number of factors, including the incumbency

status of the candidates, the competitiveness of the contest, and the size and wealth of the constituency and the potential contributor base.<sup>1</sup> Typically, incumbents raise and spend (when necessary) much larger sums of money than their challengers; candidates in close races tend to spend much more than candidates in races that are not close; and, the variation within those groups of candidates is determined, in part, by the size of the district in which they are running (larger districts have more people from which to raise money and require higher levels of spending to reach the larger number of potential voters). The “chilling effect” hypothesis posits that there is another factor unique to the states with public funding and trigger provisions that would affect the levels of fund raising and spending—the level at which spending triggers an increase in public funding for one’s opponent. Thus, if the chilling effect hypothesis is correct, one would expect to see a pattern in the total funds raised and spent by candidates in Maine that was different from those in states without public funding or trigger provisions. More specifically, one would expect that if one graphed the totals for all the candidates starting from the smallest amount to the largest one would observe a plateau in the pattern of the totals just below the trigger point (as mapped out in Figure 1). That is, the graph would start with those candidates who, for whatever reason, were unable to raise much money, and as one moved along the horizontal axis of the graph one would get to those candidates who were quite capable of raising money, but, as the chilling effect hypothesis argues, stopped raising or spending money in order to avoid triggering additional funds for their opponents. If the fund raising and spending patterns evince such a plateau, this would provide evidence to support the

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<sup>1</sup> See *Campaign Finance in State Legislative Elections* (Washington, DC: Congressional Quarterly Press, 1998)

chilling effect hypothesis; if they do not include such a plateau then there is no evidence to support the chilling hypothesis.

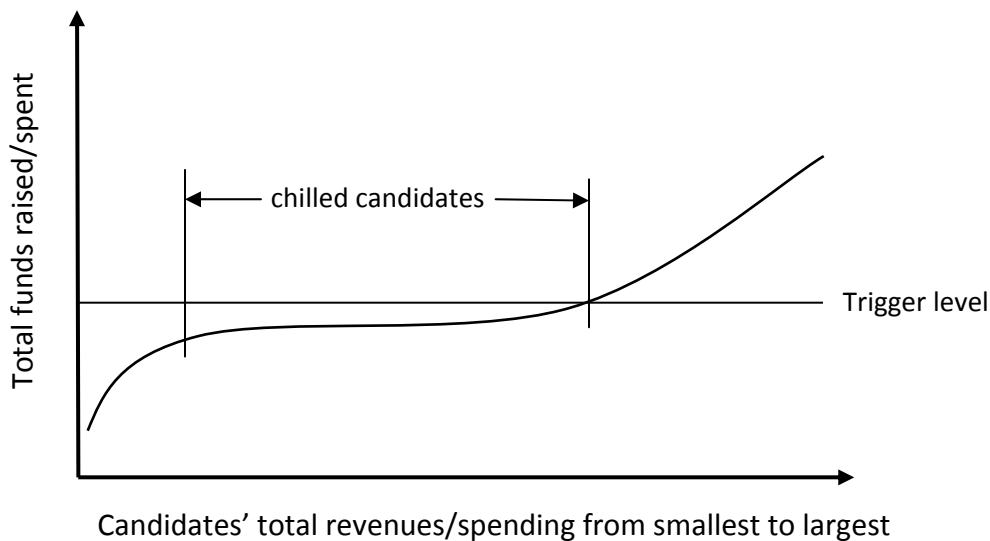


Figure 1: Expected pattern of fund raising/spending under chilling effect hypothesis.

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Figures 2 through 6 show the total fund raising for privately funded state house candidates in Maine who faced a publicly funded opponent from 2002 to 2010.<sup>2</sup> In *none* of the graphs is there a plateau that would be indicative of candidates stopping their fund-raising before they got to the trigger point. Indeed, most privately funded candidates raise amounts well beyond the trigger level. The patterns of candidates' fund raising thus fail to provide any support for the chilling effect hypothesis. Figures 7 through 10 hold the fund raising patterns for candidates for the Vermont, Montana and South Dakota lower chamber of the legislature (none of which have public funding programs). Not only is there no plateau to suggest a chilling

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<sup>2</sup> I focus on Maine House campaigns because only with house campaigns does one have a large enough sample of privately funded candidates who faced off against publicly funded candidates.

effect in the Maine data, but the pattern of total fund raising in Maine looks remarkably similar to the pattern for candidates for the lower chambers of the legislatures in Vermont, Montana and South Dakota. If the chilling hypothesis were correct the graph of total fund raising for privately-funded candidates for Maine's State House should look different.

Figures 11 through 15 show the total *spending* by privately funded House candidates who faced a publicly funded opponent from 2002 to 2010. Again, the observed pattern does not fit the hypothesis that the trigger provision affects candidate spending. In each election year there is a steady progression of the variation in candidate spending with no plateau that would provide evidence that the trigger level made a group of candidates cease their campaign spending.

### **Conclusion**

The observed pattern of fund-raising and spending in Maine's recent state house elections provides no support for the claim/hypothesis that the public funding trigger provision "chills" fund raising or spending. The pattern one would expect if the chilling effect were real—a plateau in fund raising and spending just below the trigger level—is just not evident in the data. Indeed, the pattern of total fund raising appears remarkably similar to the pattern of fund raising for candidates in state house contests in other small, rural states.



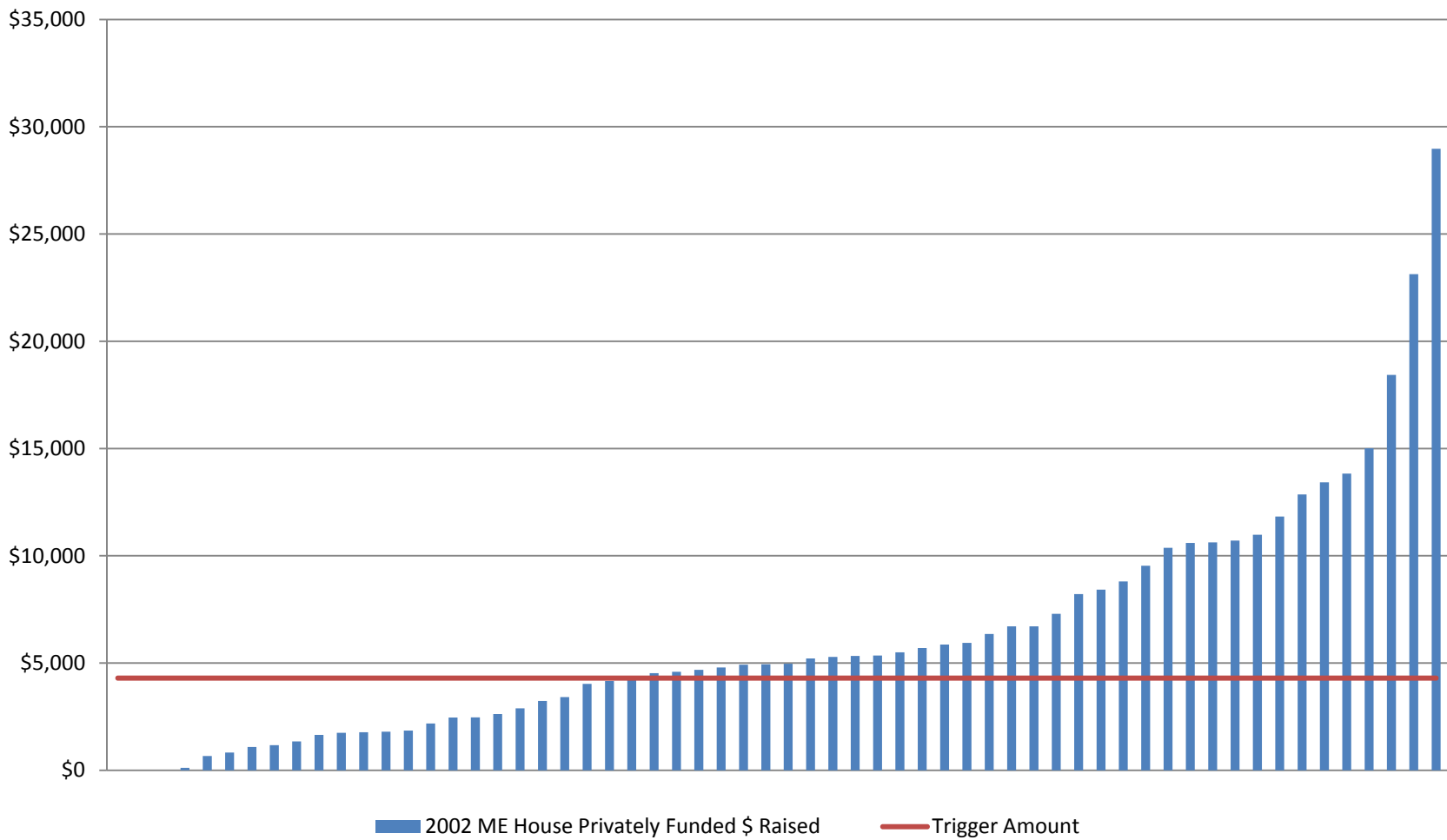


Figure 2: Total Funds Raised by Privately Funded Maine House Candidates in 2002 (arranged from lowest to highest)

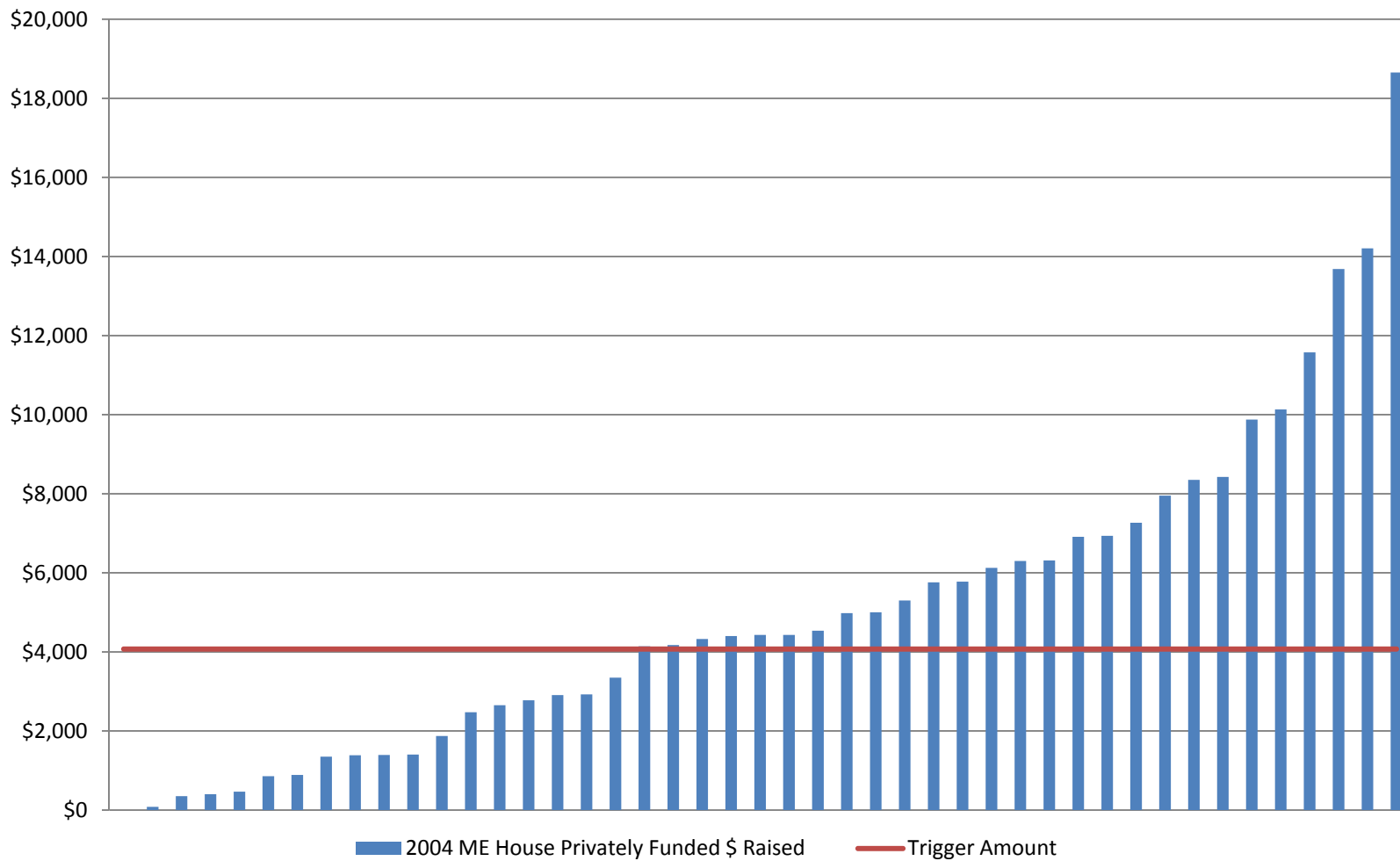


Figure 3: Total Funds Raised by Privately Funded Maine House Candidates in 2004 (arranged from lowest to highest)

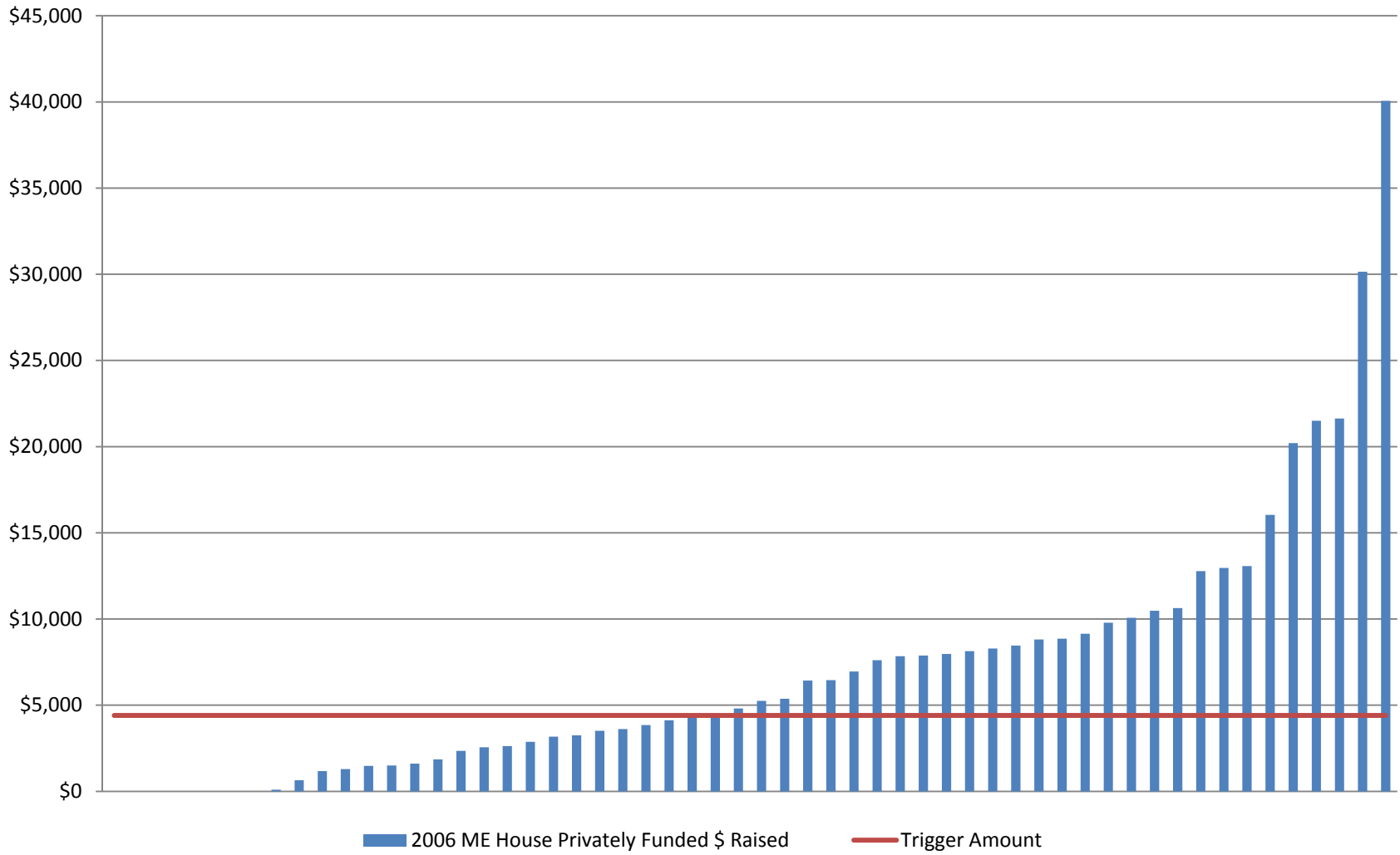


Figure 4: Total Funds Raised by Privately Funded Maine House Candidates in 2006 (arranged from lowest to highest)



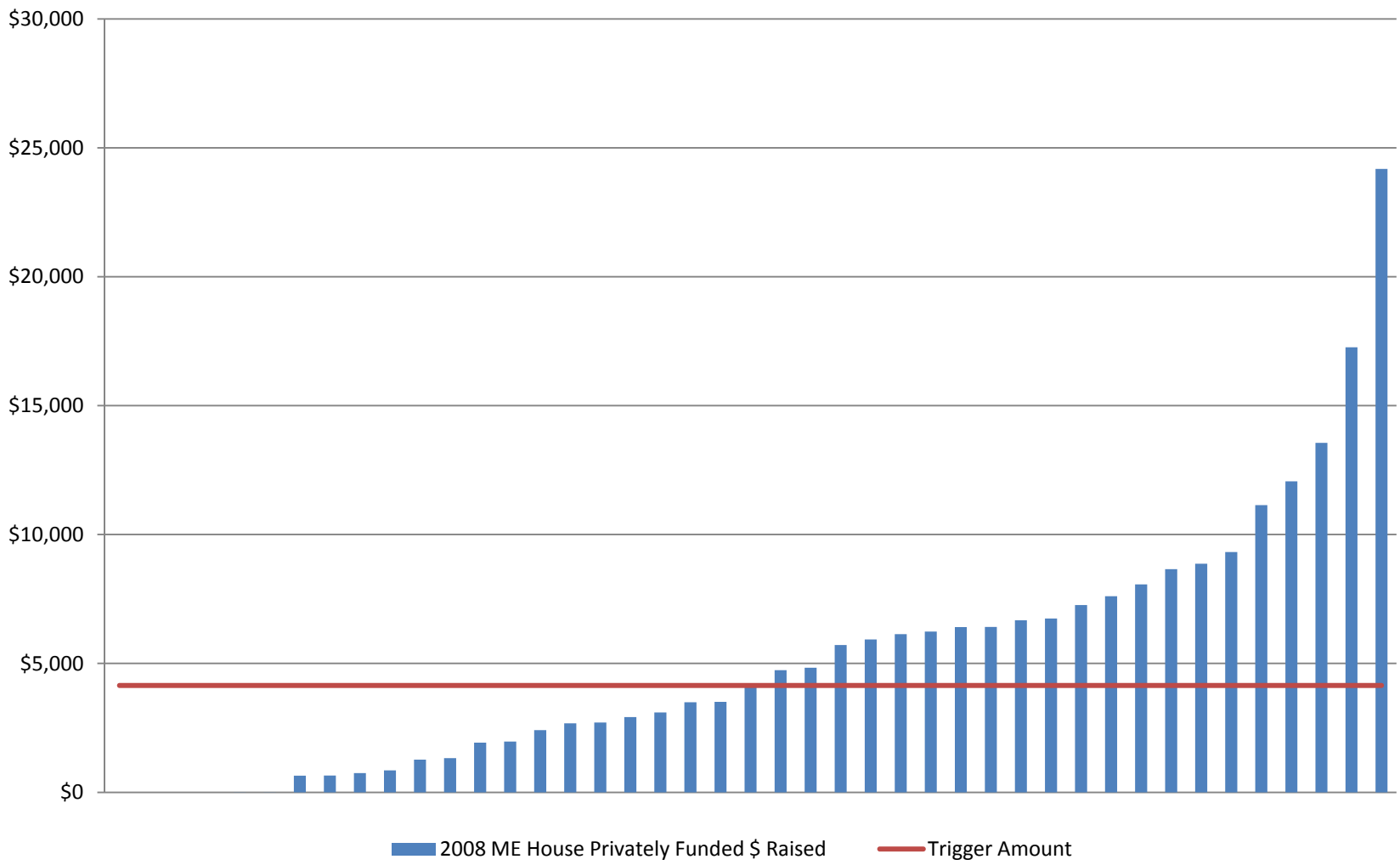


Figure 5: Total Funds Raised by Privately Funded Maine House Candidates in 2008 (arranged from lowest to highest)

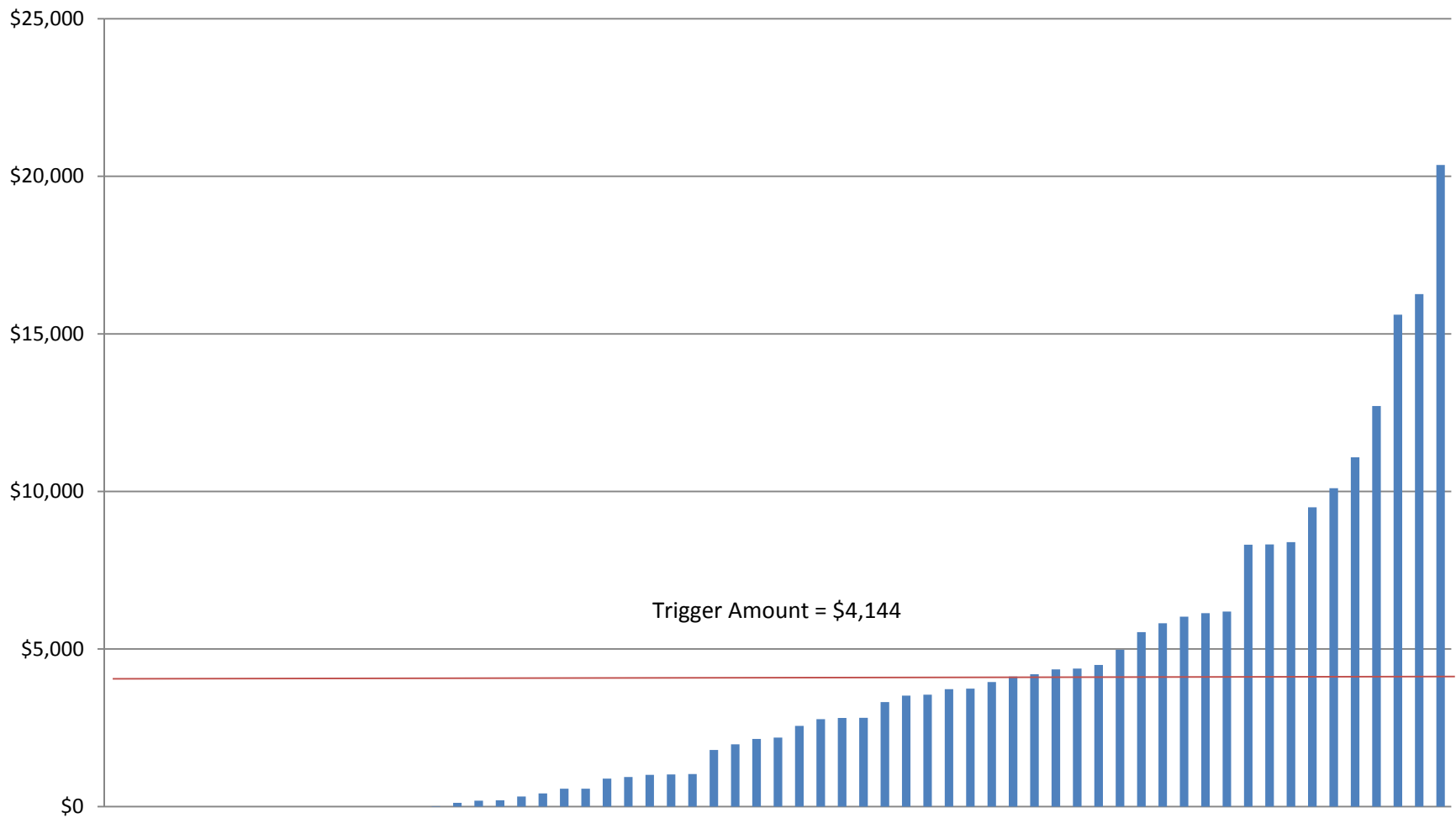


Figure 6: Total Funds Raised by Privately Funded Maine House Candidates in 2010 (arranged from lowest to highest)

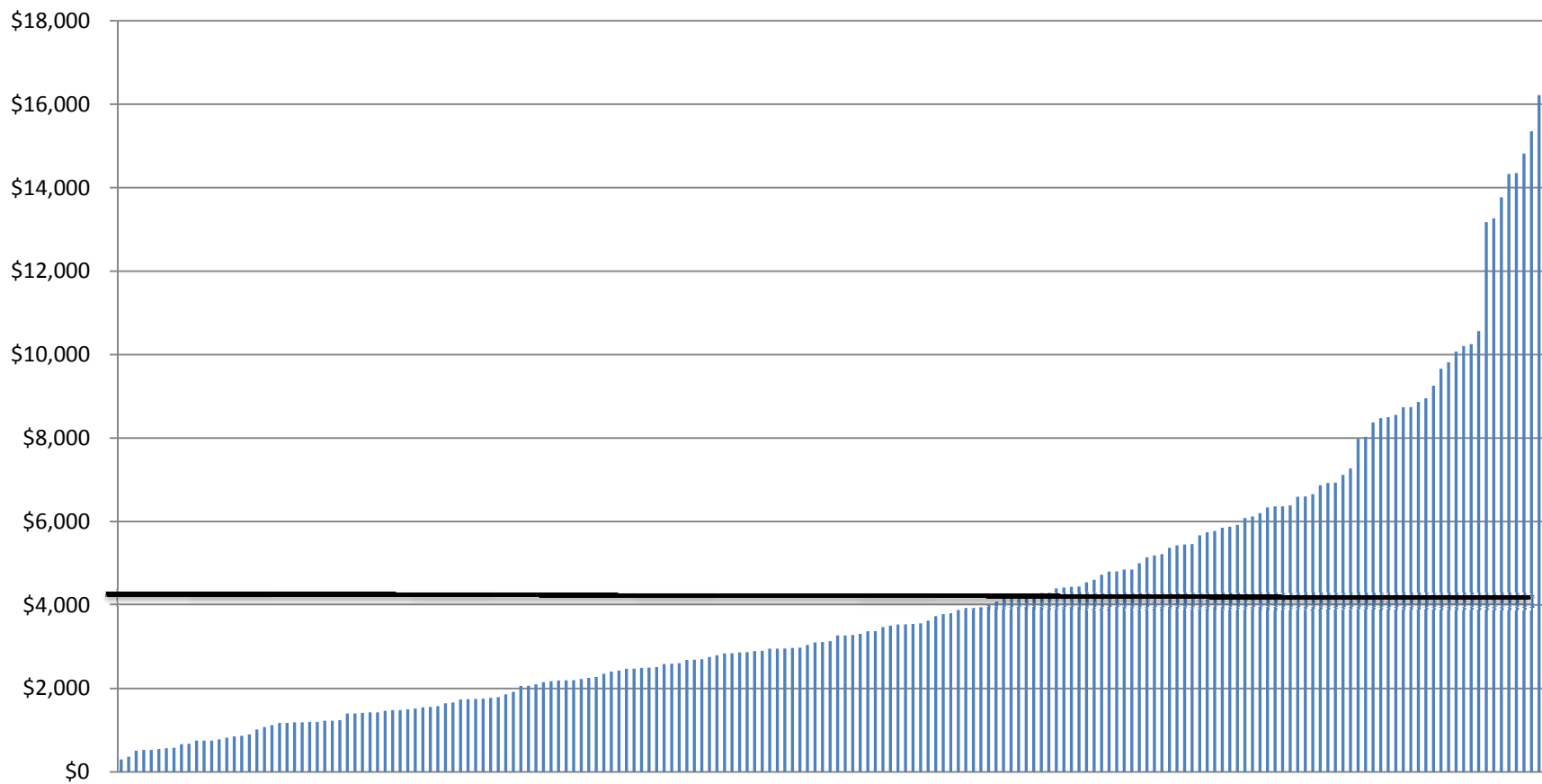


Figure 7: Total Funds Raised by Privately Funded Vermont House Candidates in 2006 (arranged from lowest to highest; each bar represents each single candidate who filed a campaign finance report, the solid line represents the average amount raised by all candidates who filed a report, which was \$4,117)

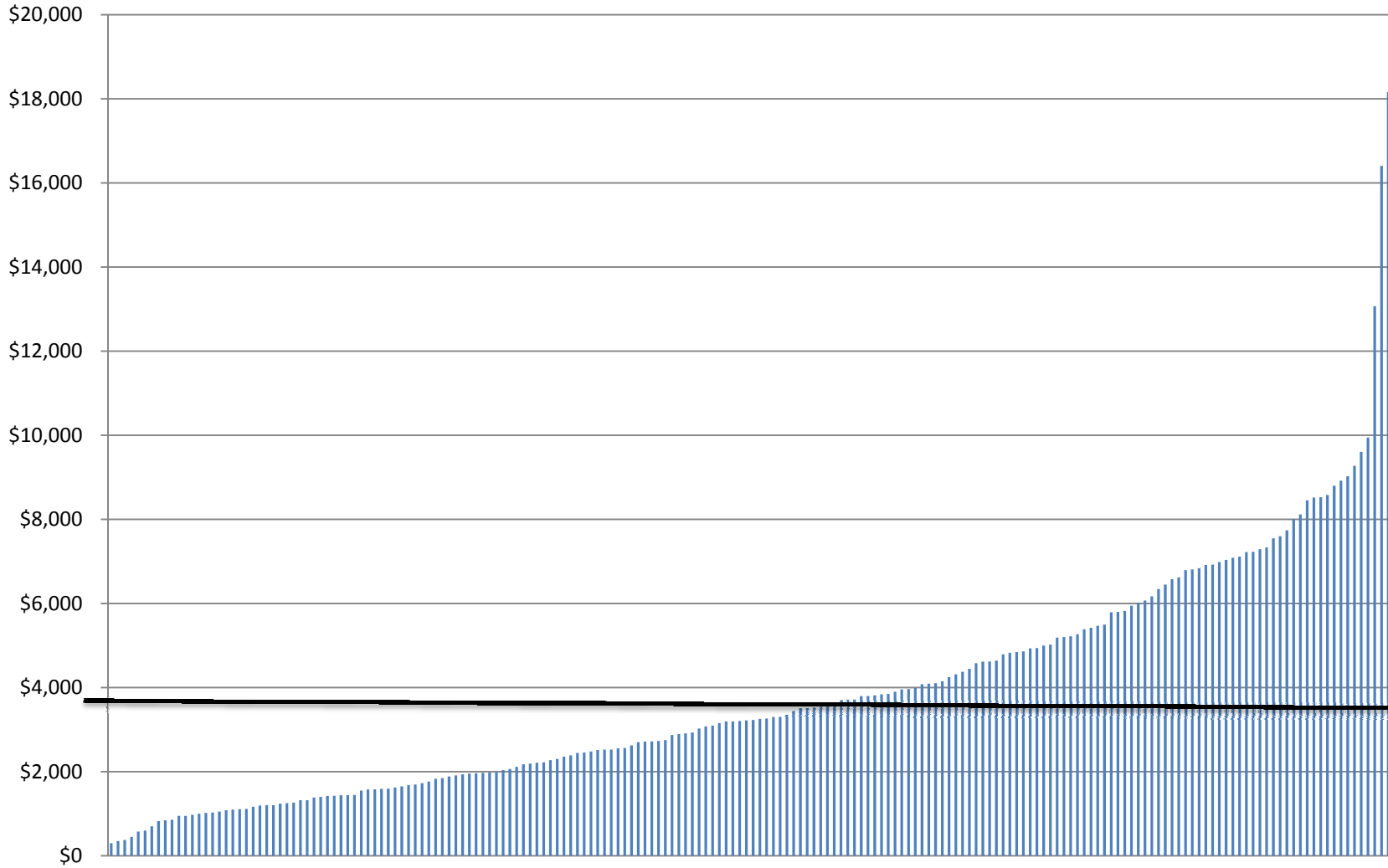


Figure 8: Vermont Total Funds Raised by Privately Funded Vermont House Candidates in 2004 (arranged from lowest to highest; each bar represents each single candidate who filed a campaign finance report, the solid line represents the average amount raised by all candidates who filed a report, which was \$3,859)

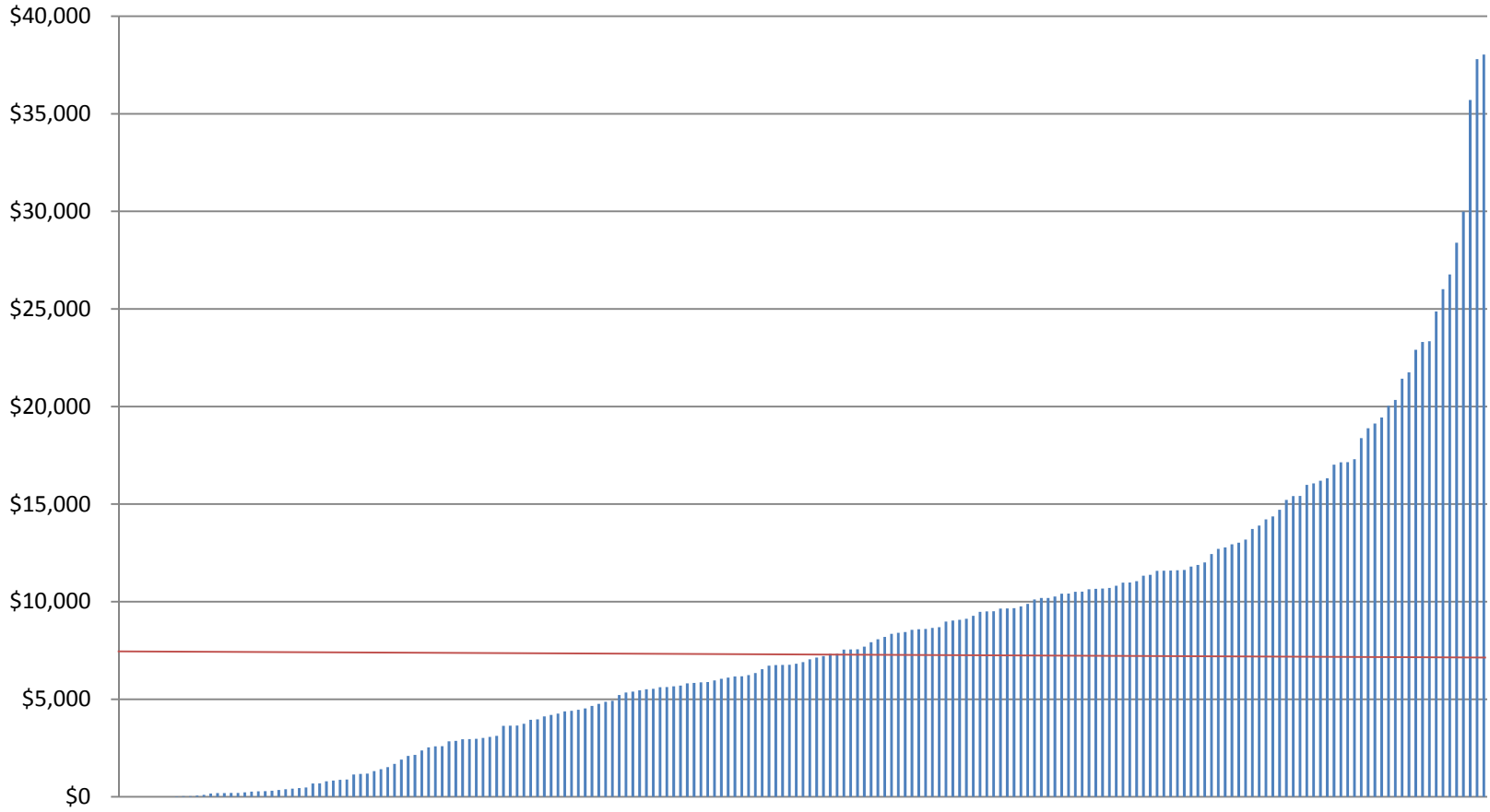


Figure 9: Montana Total Funds Raised by Privately Funded Assembly Candidates 2006 (arranged by total revenues raised; each bar represents each single candidate, the solid line represents the average amount raised by all candidates)

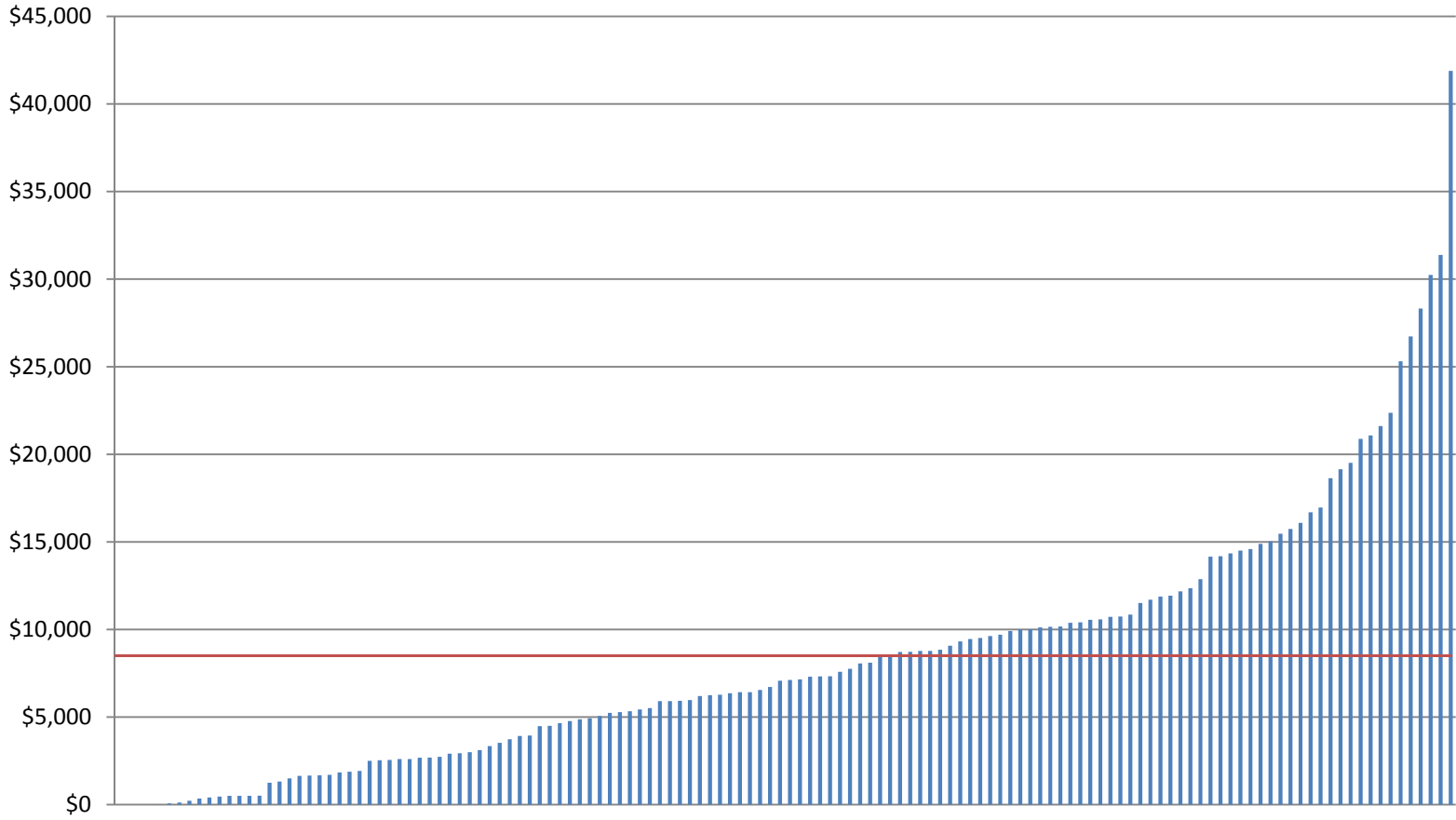


Figure 10: South Dakota Total Funds Raised by House Candidates 2006 (arranged by total revenues raised;each bar represents each single candidate, the solid line represents the average amount raised by all candidates)

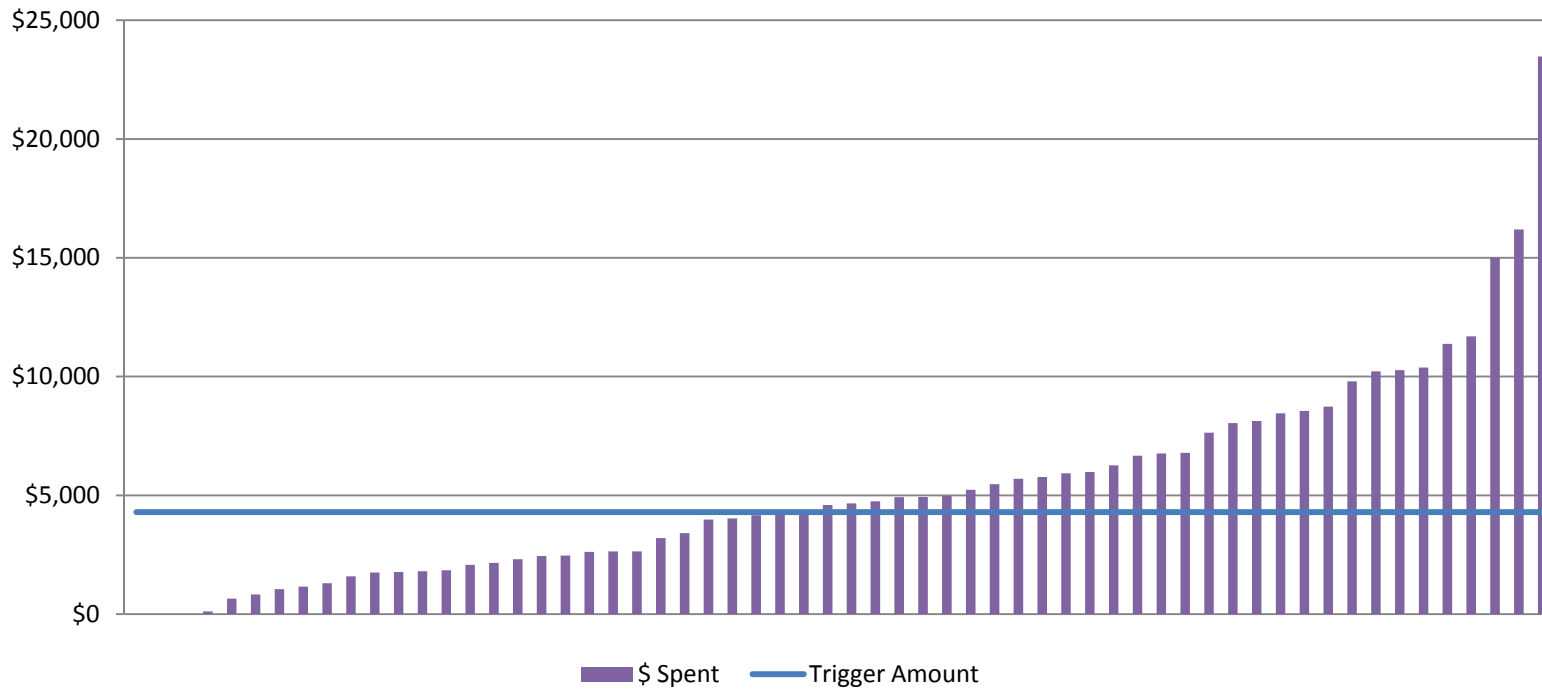


Figure 11: Total Spending by Privately Funded Maine House Candidates in 2002 (arranged from lowest to highest)

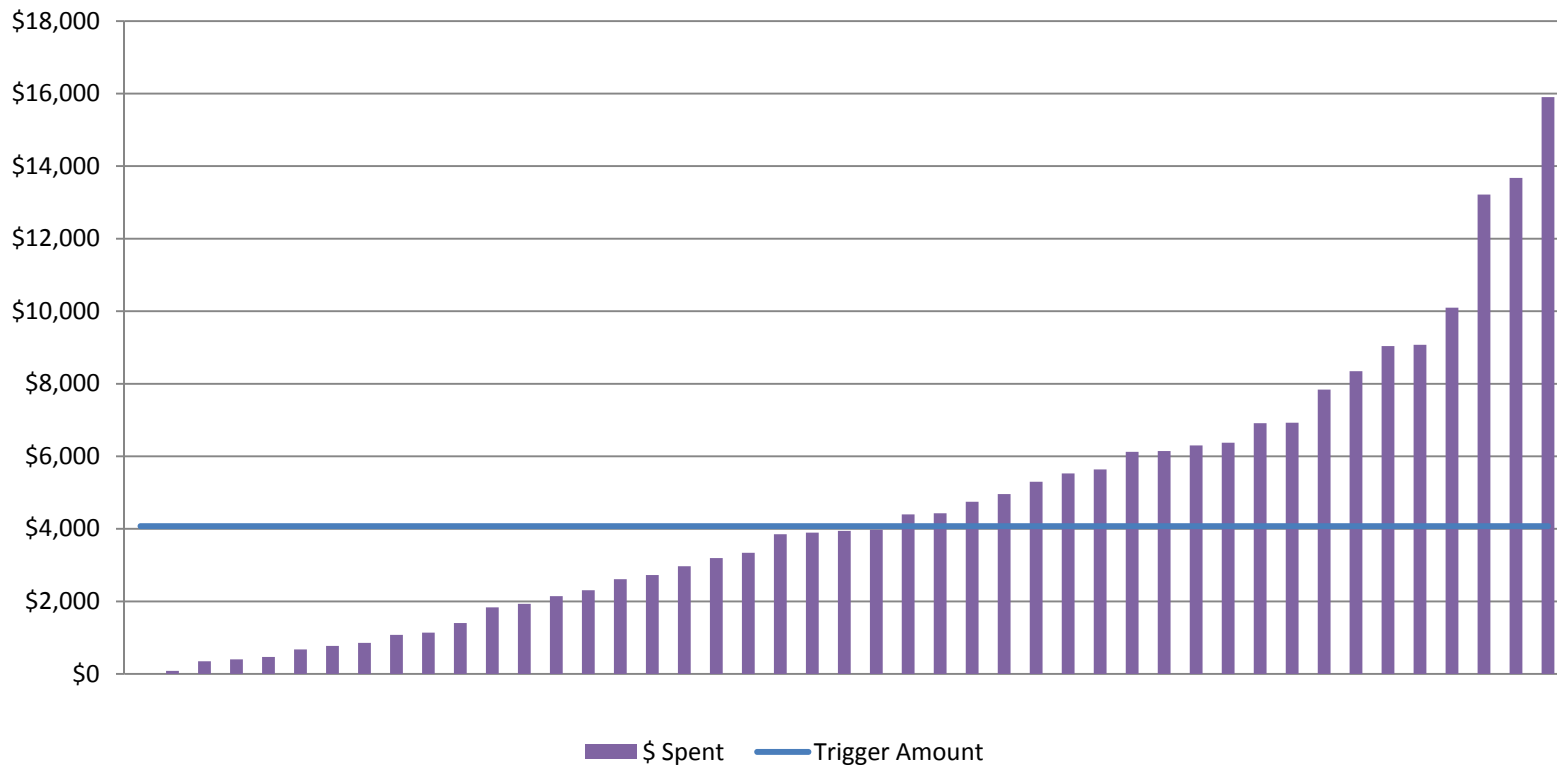


Figure 12: Total Spending by Privately Funded Maine House Candidates in 2004 (arranged from lowest to highest)



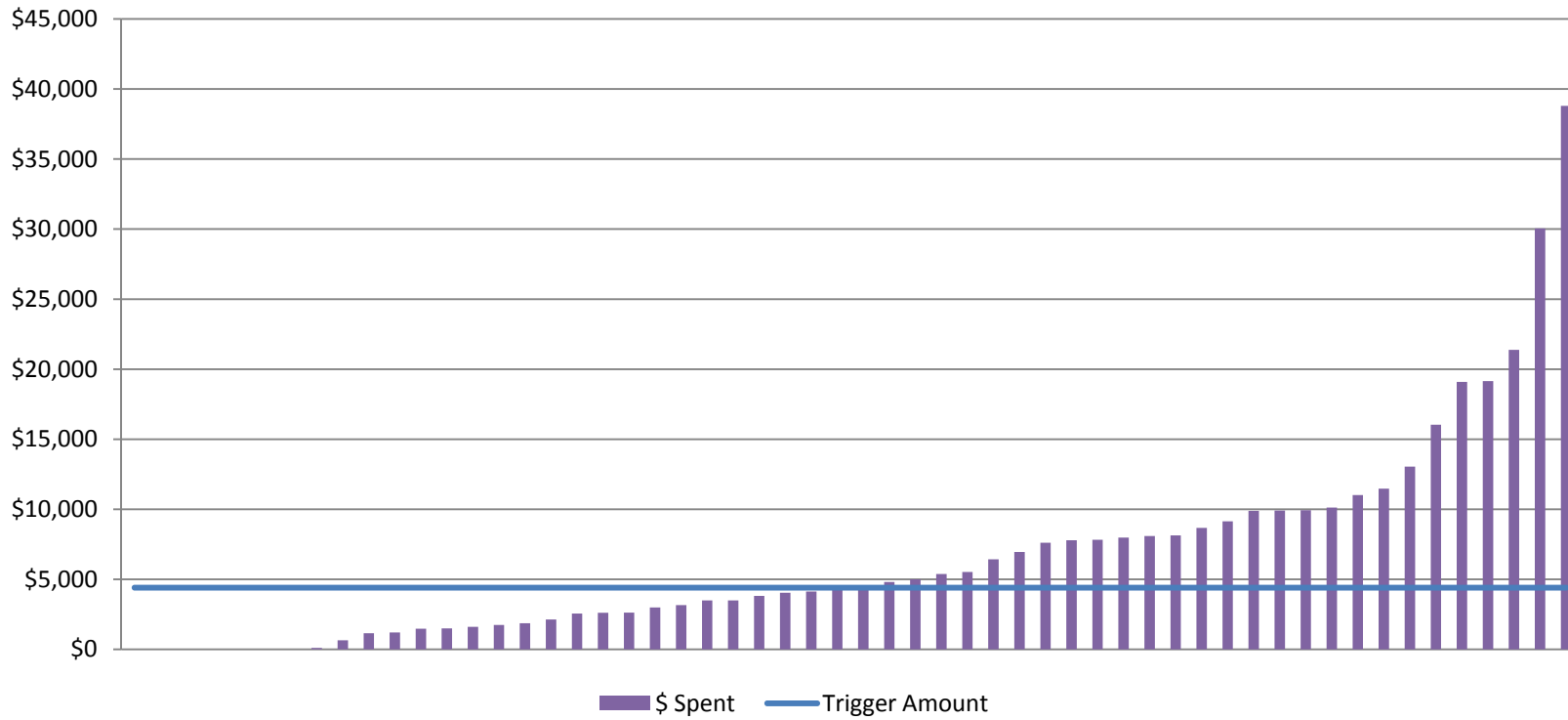


Figure 13: Total Spending by Privately Funded Maine House Candidates in 2006 (arranged from lowest to highest)

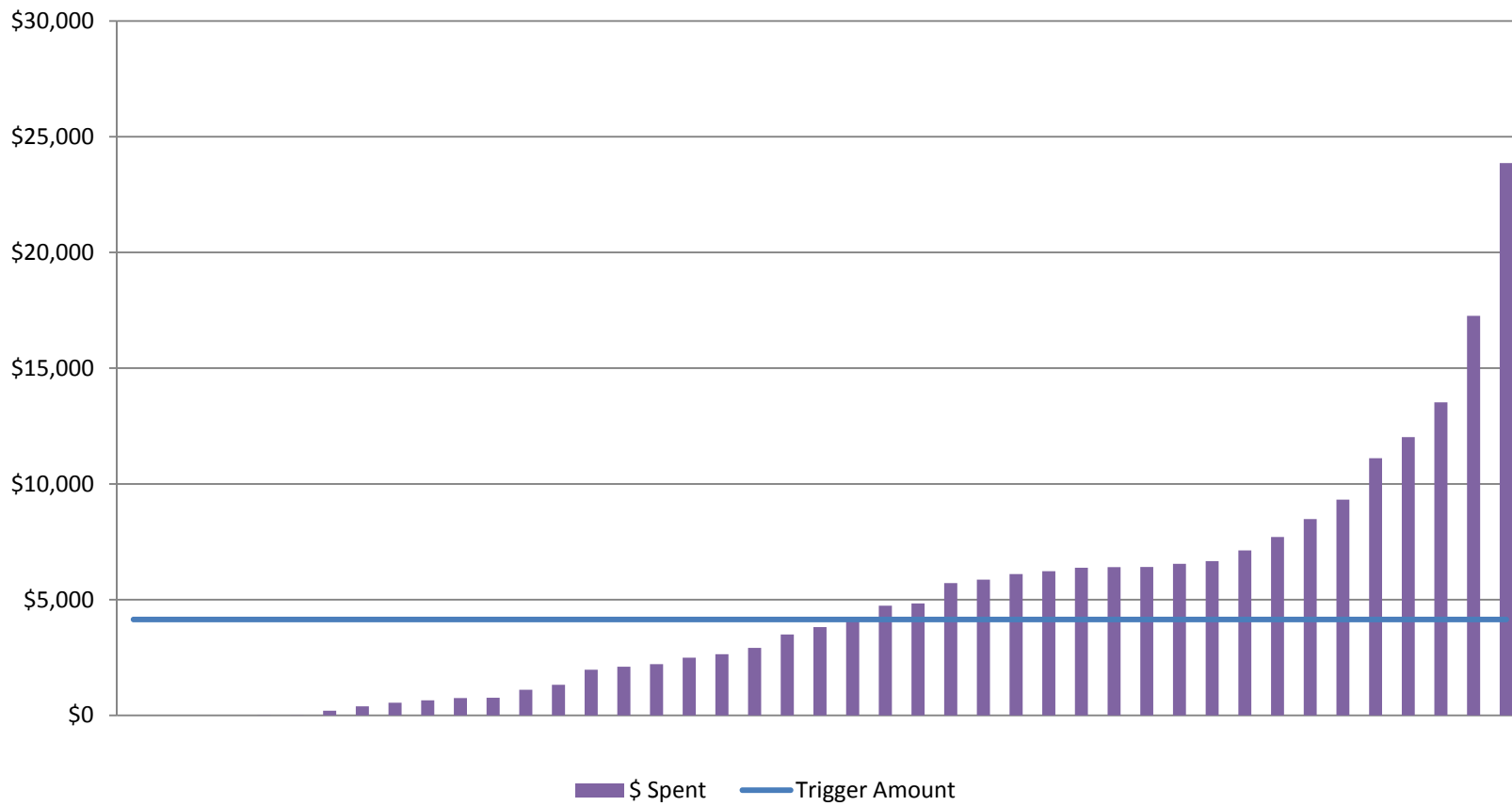


Figure 14: Total Spending by Privately Funded Maine House Candidates in 2008 (arranged from lowest to highest)

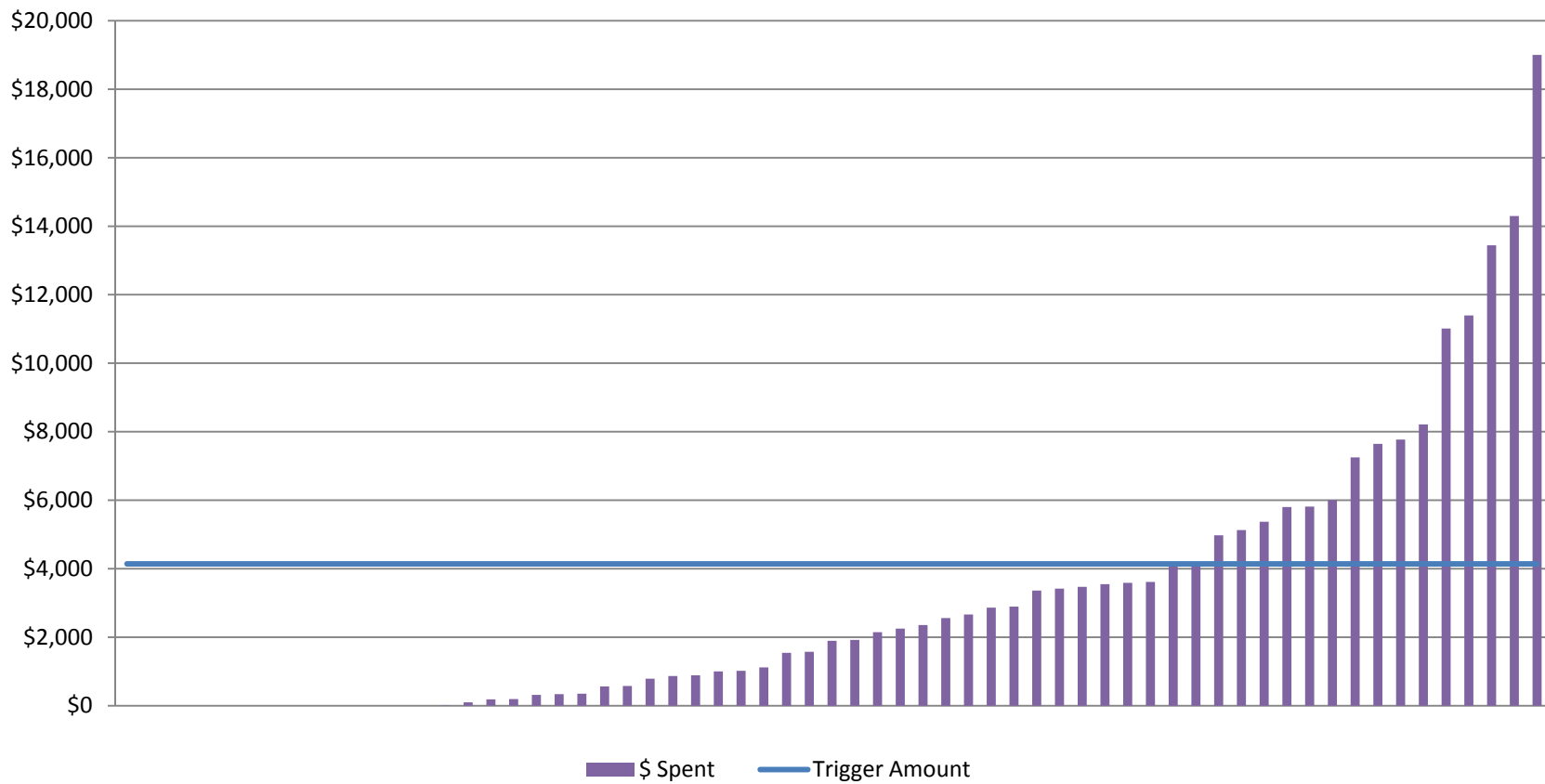


Figure 15: Total Spending by Privately Funded Maine House Candidates in 2010 (arranged from lowest to highest)