

Testimony before the Joint Standing Committee on Appropriations and Financial Affairs

LD 1579  
An Act Regarding the Maine Clean Election Fund

February 23, 2016

Senator Hamper, Representative Rotundo, and members of the Joint Standing Committee on Appropriations and Financial Affairs:

Thank you for the opportunity to comment on LD 1579, An Act Regarding the Maine Clean Election Fund.

My name is Ann Luther. I'm a resident of Trenton and a volunteer testifying on behalf of Maine Citizens for Clean Elections as a member of its board.

Our testimony on LD 1579 is neither for nor against, but I'd like to offer our perspective as the organization that has been most involved in supporting and defending the Maine Clean Election Act for the past two decades.

With the passage of the second Clean Election citizen initiative in November, a new chapter is now beginning. There is a strong, renewed mandate for a robust but accountable public funding system for Maine legislative and gubernatorial candidates.

Part of being accountable is to be fiscally responsible. Clean Elections has never been an open-ended drain on state finances. The original law called for a dedicated, interest-bearing, non-lapsing fund largely underwritten by a modest annual allotment from the General Fund. Since the beginning in 1996, the Clean Election program has had its own source for offsetting that allotment – a reduction in the administrative and legislative budgets

The concept worked well when faithfully implemented. The original drafters of the Clean Election system did an uncanny job of estimating the amount of funding the program would need. The annual transfer of \$2.0 million was entirely sufficient to cover the demand on funds for qualified candidates over the history of the program. And it created a de facto limit on what the program would cost in any one year and overall. The modest annual transfer created an accrual to cover unpredictable costs in elections once every two or four years when candidate participation could vary widely. That funding mechanism was predictable, depoliticized, and finite.

To our dismay, however, the voter-approved funding level has not always been transferred into the Clean Election Fund as voters intended. Accrued balances, intended to cover future elections, have been swept for other purposes in offyears. Over \$9.8 million has been cut from the fund, with only \$3.1 million of that amount ever returned. The fund has also been drawn upon for substantial administrative costs that previously were paid out of the General Fund. The oft-spoken bargain that governors and legislatures have made with Maine people has been, "We need this money now. We'll make sure that sufficient funds are available by the time of the next election." – what we like to call just-in-time funding. This has actually resulted in a loss of predictability, the erosion of de facto cost constraints, and an opening for political manipulation.

"Just-in-time" funding simply does not work for Clean Elections. The funding cycle for candidate elections is a four-year cycle, and the fund must be able to accumulate funds in non-gubernatorial years so that adequate funding exists for gubernatorial elections. Draining the fund in non-gubernatorial years is contrary to the intention of the law and does irreparable harm to the program.

That is the backdrop to LD 1579. This is a budget-neutral bill that draws down funding from 2017 so that sufficient funding will be in place for the 2016 elections.

Why does the Ethics Commission seek to draw down an advance on 2017 funds? The answer is simple. The history of short-changing the Clean Election Fund referred to above has continued literally up to and including yesterday. First, the 2015 budget reduced the voter-approved funding for Clean Elections by 85 percent (from \$2.0 million to \$300,000). In addition, the State Controller's transfer for 2016 was one-third less than the voter-approved funding amount. Yesterday was the deadline for the Controller to transfer the remaining \$1.0 million required by law, but that did not happen. These actions have deprived the fund of \$2.7 million combined. Simply put, it has been the practice of past administrations and past legislatures, not the law or the recent initiative, that created the need for this bill.

Failing to fund Clean Elections is an affront to the voters who approved this funding in 1996 and re-approved it just a few months ago. The Controller's failure to transfer the statutory funding amount this year is also a violation of state law.

We understand the need to have adequate funding in place for the 2016 elections, but this bill would borrow from future election cycles to pay for past raids to the fund in order to cover expenses this year. We object to the practice of sweeping the fund to pay for other budget priorities, and we object to borrowing against the future to pay for raids made in the past. Instead, we ask this committee, the legislature, and the executive branch to simply honor the voter-approved funding level and return the \$2.7 million that should have been transferred into the fund since 2015.

The voters' decision to fully fund Clean Elections should be honored and implemented by this committee and all officials in Augusta.

The Clean Election system brings great benefits to Maine at a very modest cost. Citizen ownership of our democracy is a good value and well worth the price.

Thank you for the opportunity to testify, and I am happy to take questions.