

The Case for a New Small Donor, Public Matching Funds System

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An NBC News/Wall Street Journal [poll](#) last fall found that 77 percent of registered voters said that “reducing the influence of special interests and corruption in Washington” is “the most important or a very important issue facing the country.”

This is not going to happen until an alternative system is created for officeholders and candidates to finance their campaigns without being dependent on or obligated to influence-seeking funders.

H.R. 1, sponsored by Rep. John Sarbanes (D-MD) and cosponsored by 227 House Members, creates a new, small-donor, public matching funds system for congressional and presidential candidates to use to finance their campaigns. It is expected to be considered by the House of Representatives next week.

Unlimited contributions and secret money spent to influence federal elections are at the heart of Washington corruption today.

Retired conservative Court of Appeals Judge Richard Posner has [said](#) about the unlimited contributions unleashed by the *Citizens United* decision in 2010, “Our political system is pervasively corrupt due to our Supreme Court taking away campaign contribution restrictions on the basis of the First Amendment.”

The stark impact of this result can be seen in the fact that in the past four elections, Super PACs [raised](#) nearly *\$5 billion* in unlimited contributions to spend in federal elections. During this period, the top 10 individual donors alone contributed [\\$1 billion](#) to Super PACs, an average of *\$100 million* per donor. (The median household income in the United States was [\\$62,175](#) in 2018.)

Big money funders during this same period provided an additional [\\$1 billion](#) in unlimited, secret contributions spent by nonprofit groups to influence federal elections.

These developments have enormously magnified the influence of wealthy donors and moneyed special interests at the great expense of ordinary Americans.

The huge contributions sloshing around our political system today are the same kind of contributions that led to the Watergate campaign finance scandals in the 1970s and the soft money campaign finance scandals in the 1990s. They provide donors with opportunities for undue influence over government decisions or the appearance of such influence.

Here are two examples that involve multibillionaires:

Sheldon Adelson and his wife Miriam Adelson gave a total of *\$297 million* during the past four elections to Super PACs to support Republican candidates. This included [\\$20 million](#) to an

individual-candidate Super PAC supporting Donald Trump in the 2016 presidential election and \$10 million to [America First Action](#), a [Trump-backing](#) Super PAC, during the 2018 congressional elections.

Casino mogul Sheldon Adelson is strongly opposed to online gambling, which creates competition for his gambling empire. In January 2019, Trump's Justice Department obligingly declared that online gambling is prohibited by law, [reversing](#) an opinion issued by the Obama Justice Department that had come to the opposite conclusion.

According to a [Wall Street Journal](#) article, "In addition to his advocacy to curb online gambling, Mr. Adelson spent tens of millions in the 2016 election backing President Trump and has emerged as one of the most powerful and influential donors in GOP politics."

Tom Steyer was the number one Super PAC donor in the 2016 election cycle with contributions of [\\$89 million](#) and the number three giver in the 2018 election cycle with Super PAC contributions of [\\$72 million](#). Thus, Steyer gave a total of \$161 million to Super PACs in the last two election cycles.

Steyer is [threatening](#) to use the Super PAC he leads, Need to Impeach PAC, to attack House Democrats for failing to begin impeachment proceedings against President Trump. According to [Politico](#), "Kevin Mack, Steyer's lead strategist on Need to Impeach, said the PAC has virtually unlimited resources to spend in targeted districts."

In essence, Steyer is attempting to use his great wealth to obtain a result in Congress he wants – the impeachment of President Trump.

The use of influence-money to obtain government results is not what our democracy is supposed to be about.

We cannot stop unlimited contributions from flowing into federal elections as long as the *Citizens United* decision stands. We can, however, provide an alternative system for financing elections that frees officeholders and candidates from the vice-like grip of big money donors.

Under H.R. 1, House candidates who choose to participate in the system will receive public matching funds at a 6 to 1 ratio for contributions of \$200 or less per donor, per election. In return, participating candidates will have to abide by a contribution limit of \$1,000 per donor, per election, which is about one-third the existing limit of \$2,800 per donor.

H.R. 1 would:

- Allow candidates to run for office without being dependent on or obligated to big money or special interest funders;
- Empower ordinary Americans by making their small contributions more important and valuable to candidates;
- Greatly reduce the power and influence of big money funders by freeing candidates to run competitive races for office without the need for their financial support; and

- Create opportunities for new candidates to enter the political process and run competitive races.

The success of the presidential public financing system for more than two decades makes a powerful case for the public financing system in H.R. 1. [From 1976 to 2008](#) every Republican and Democratic Presidential nominee used the public financing system to finance their general election campaigns, except for President Obama in 2008.

Washington Post columnist E.J. Dionne [wrote](#) in 2006 that “public financing of presidential campaigns, instituted in response to the Watergate scandals of the early 1970s, was that rare reform that accomplished exactly what it was supposed to achieve.”

The system broke down only when the exponential growth in the cost of presidential campaigns greatly outstripped the funding and spending limits of the presidential system, and Congress failed to adjust the system to take account of this development. In addition to creating a new financing system for congressional races, H.R. 1 will revitalize the presidential public financing system, which remains on the books as law today.

The Supreme Court made clear in [Buckley v. Valeo](#) (1976) and again in [Arizona Free Enterprise v. Bennett](#) (2011), written by Chief Justice Roberts, that public financing of elections is constitutional.

As the Court said in *Buckley*, public financing “is 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.”

We have come to a moment in history when the presidency and the Congress are again on the auction block. The enactment of H.R. 1 will take our officeholders off the auction block and play a critical role in restoring the integrity and health of our democracy.

(This opinion piece is excerpted from [testimony](#) presented to the House Administration Committee in support of H.R. 1.)

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