



Summary of Small Donor Financing Provisions in H.R. 1 and S.949

H.R. 1, and its Senate companion bill, S.949, establish a small donor matching system for presidential and congressional candidates. Small donor financing has worked successfully at the national, state, and local levels. The new system greatly reduces the impact and influence of big money in federal elections and over government decisions and helps to diversify the pool of candidates who can run for office.

Basic Design of Small Donor Financing

Qualifying: House candidates qualify for the system by raising at least 1,000 contributions of \$200 or less, in an aggregate amount of \$50,000 or more. Senate candidates qualify by raising varying numbers of contributions of \$200 or less, in varying amounts, depending on the size of the state. Presidential candidates qualify by raising contributions of \$200 or less totalling \$25,000 in each of 20 states.

Benefits: Participating candidates receive for each of the primary and general elections a 6-to-1 match on contributions of up to \$200 per donor. Thus, a \$200 contribution is worth \$1,400 to the candidate. When combined with the rapidly increasing ability to raise small contributions online, this will provide the funds needed to run competitive campaigns. There are limits on the total amount of matching funds a presidential, Senate or House candidate can receive for an election.

Restrictions: Candidates must agree to participate in the voluntary matching fund system for the primary and general elections, and to limit the contributions they raise to no more than \$1,000 per donor, per election, compared with the current limit for all federal candidates of \$2,800.

Key Facts About Small Donor Financing

Long History of Success: The presidential public financing system enacted in the wake of Watergate served the nation well for seven presidential elections and more than two decades. Every President and almost every major party candidate used the voluntary presidential system during this period. State and local governments across the country have implemented similar systems, limiting the role and influence of influence seeking funders and helping to diversify the pool of candidates running for office.

No Taxpayer Funds Used: The public matching funds are financed *entirely* by a small surcharge on the fines, penalties, and settlements paid to the government by lawbreaking corporations, corporate executives, and wealthy tax cheats. H.R. 1 and S.949 *prohibit the use of any taxpayer funds* to finance the public matching funds system.

Constitutionally Protected: The Supreme Court held in *Buckley v. Valeo* (1976) that public financing of elections is constitutional. Forty-five years later the Court reaffirmed *Buckley* and the constitutionality of public financing in *Arizona Free Enterprise v. Bennett* (2011), on an opinion written by Chief Justice Roberts. The Supreme Court found in *Buckley* that public financing is an effort “to use public money to facilitate and enlarge public discussion and participation in the electoral process, goals vital to a self-governing people” and that it “furthers, not abridges, pertinent First Amendment values.”

Small Donor Financing Has Broad Appeal with the Public: Polls conducted by the group End Citizens United found the small donor system is popular with Americans across the political spectrum.