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House Democrats poised to endorse public financing of congressional campaigns

Mike DeBonis

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House Democrats are poised to endorse an expansive system to publicly finance congressional campaigns, a forceful statement against the influence of wealthy donors in politics.

The plan to funnel billions of dollars in public funds to candidates each election cycle is at the core of a sweeping ethics and elections bill, H.R. 1, that Democrats plan to pass Friday. The legislation also calls for making Election Day a national holiday, requiring presidential candidates to release 10 years of their tax returns, and automatic voter registration.

It stands no chance in the Republican-controlled Senate, where Majority Leader Mitch McConnell (R-Ky.) vehemently opposes the legislation and said this week he wouldn't even allow a vote. But advocates of campaign finance reform say it is a watershed to have near-universal support for public financing among Democrats after 45 years of failed attempts.

The embrace of the plan comes as Democrats are coalescing behind other aspirational, liberal proposals, such as Medicare-for-all and a Green New Deal, looking ahead to a day when they have broader power in Washington. They see Friday's vote creating a new baseline for future initiatives.

Rep. John Sarbanes (D-Md.), the lead author of H.R. 1, traveled to states and cities that have implemented public financing systems and said he found bipartisan support. The American public wants "bold moves now," he said. "They don't want to just kind of nibble around the edges anymore. They want in."

Tiffany Muller, president of End Citizens United, a political action committee focused on campaign finance reform, said House Democrats are responding to a public thirst to counteract the influence of deep-pocketed donors and make Congress more responsive to average Americans.

"What we've seen is massive, overwhelming support from voters for public financing systems," she said.

The public financing provision would give candidates up to \$6 for every dollar raised from small donors and also establish a pilot program to give voters \$25 campaign vouchers to be donated to any candidate. It has attracted outside scrutiny from Republicans, who are attacking it as "taxpayer funding" for campaigns — more specifically, Democratic campaigns. And some experts question whether public financing is necessary after an election cycle that saw small, grass-roots donors power numerous successful congressional campaigns.

Leading the opposition has been McConnell, who called the provision a “big taxpayer bailout of political campaigns, attack-ad makers and campaign consultants” in a recent floor speech.

“This is how out of touch with taxpayers the modern Democratic Party has become,” he said. “They saw these proposals to take the American people’s tax dollars and funnel them straight into more attack ads, yard signs and telephone calls, and thought, ‘What a great idea! Let’s put it in.’”

Democrats have been sensitive to those accusations. An initial draft of H.R. 1 funded the public financing provisions through taxpayer appropriations. That prompted numerous Democratic lawmakers — most of them centrists belonging to the moderate Blue Dog Coalition and Problem Solvers Caucus — to withhold their support for weeks.

Party leaders eventually rewrote the bill, assessing a 2.75 percent surcharge on fines paid by companies and corporate officers who are convicted of or admit to federal wrongdoing. All 235 House Democrats are now co-sponsoring the bill.

Taxpayer funding for elections would have been the “political kiss of death,” said Rep. Thomas Suozzi (D-N.Y.), a moderate. “People are not ready to have taxes raised for public financing.”

Tapping fines paid for corporate malfeasance is “a much more creative way of looking at it,” he added, but that has hardly dampened the GOP attacks.

Five states have public financing systems for their legislatures; several more have them for gubernatorial races. There has been federal public financing of presidential elections since 1976, funded by a voluntary checkoff on income tax returns. But that system has atrophied in recent years, with few major candidates willing to abide by its spending limits.

The congressional system embedded in H.R. 1 does not contain any spending limits, though the amount of money it would ultimately provide to candidates could be constrained by the amount of revenue generated from fines. The Congressional Budget Office, reviewing an earlier draft of legislation, did not identify a precise cost for the program but said it “could exceed \$1 billion over the next 10 years.”

Beyond the political attacks on the proposal, academic critics say it is unproven whether public financing achieves its proponents’ goal of creating a more equitable and responsive political system. One 2014 paper suggested that public financing reduces the advantages of incumbency but also produces more polarization.

John Samples, a Cato Institute vice president who has studied campaign finance reform proposals for more than two decades, pointed to the 2018 midterm elections, where scores of Democratic candidates tapped small-donor networks to fund successful campaigns. ActBlue, the largest Democratic small-donor network, sent a combined \$1.6 billion to candidates in the cycle.

“The idea was, you had coordination problems or whatever, so you needed to bump up the small donors. But now small donor are actually very powerful,” Samples said. “So what’s the point?”

The existing Democratic advantage in small-donor giving, he added, creates a “PR problem” for the party: “What the bill is actually saying is, we’re going to take \$5 billion or \$6 billion from the public treasury and give it to the Democratic Party, essentially.”

But Fred Wertheimer, executive director of the nonprofit Democracy 21 and a longtime advocate of public financing, said that small donations are being swallowed by unchecked donations to super PACs, which can raise and spend unlimited sums. Super PACs reported \$1.6 billion in spending in the 2018 cycle — supplementing what campaigns spent directly.

And he expressed doubt that the small-donor surge would remain sustainable in a political atmosphere without a President Trump to drive voter interest.

“He’s not going to be around as president forever, and the majority of campaigns weren’t financed that way — incumbents’ campaigns weren’t financed that way,” he said. “That surge came for challengers, and every candidate should have the opportunity to run for office without having to turn to millionaires and billionaires and lobbyists, fundraisers and bundlers.”