



## HF691 - State Government Finance Omnibus bill. Keep Campaign Subsidy Program Intact and Funded.

Since its implementation in 1992, the campaign subsidy program has played a crucial role in limiting the influence of special interest money and in ensuring responsive representation by legislators toward their constituents. **Responsive representation of our Minnesota citizens is not a partisan issue.** It is a fundamental principle of our country and state's democracy. Is there room for improvement? Yes. Is the feasible solution to throw the baby out with the bath water? No.

Per the Campaign Finance and Public Disclosure Board's 2016 reporting of data, during 2016 it "distributed \$2,162,062 in public subsidy payments to **339 candidates** running for state senate or state representative. The 339 candidates who received a public subsidy payment represent **89.7% of the 378 legislative candidates** who were on the general election ballot."

- 435 candidates who filed for state legislative office in 2016, 372 (85.5%) signed voluntary agreements to abide by spending limits and other conditions required to be eligible.
- Public subsidy payments totaled:

	DFL	RPM
State Senate	\$669,294	\$420,093
House of Representatives	\$655,838	\$416,837
<b>Total</b>	<b>\$1,325,132</b>	<b>\$836,930</b>

DFL = Democratic Farmer Labor  
RPM = Republican Party of Minnesota

Note: No minor party candidates qualified for a public subsidy payment in 2016.

In 2014, **88.5% of 312 candidates** opted into our public finance system and agreed to spending limits and disclosure. Minnesota has largely avoided the political corruption that exists in other states because of our campaign finance system and the political contribution refund program. Dismantling this program and defunding will likely continue to perpetuate the state of gridlock, polarized partisanship and policy failures which Minnesotans have experiences in the past several years. This is not policy that reinforces and nurtures inclusive democracy for Minnesotans.

A 2008 study from the CFI found that citizens who make small contributions more accurately represent the views of averages Minnesotans than larger donors; they are also less likely to be motivated by special interests related to their own businesses and industries.

**There is growing bipartisan concern across Minnesota about how the influence of large donors can drown out the voices of average citizens.** Our democracy is better off when campaigns are funded by a wider range of people rather than a select few, and we should pursue policies to encourage broader political participation, not discourage it.

**Growing numbers of Minnesotans are angry and feel a deep disconnect with their leaders; especially in more and more areas of our greater MN region.**

- While hard working families continue to struggle, wealthy special interests are writing legislation behind closed doors that benefits their bottom line at the expense of the greater good.
- This disconnect grows even deeper during election season, when shadowy outside groups pour millions of dollars into our elections. This last election cycle an MPR program was dedicated to tracking and discussing money being injected into senate races and asking if there might even be some coming from foreign corporations.
- Elections should be about the will of the people.

**The Campaign Finance Institute has used Minnesota's campaign finance system as a model for other states.** In 2006, 47% of Minnesota political contributions were individual donations of less than \$150, a percentage that is unheard of in other states, many of which continually see percentages in the single digits.

We cannot change the nature of what running for public office means when it comes to fundraising however, what we *can* determine is where that money comes from. **The campaign subsidy program is the most effective mechanism we have to encourage small donations from a wide base of people, while repealing the program means candidates will be forced to rely more heavily on larger contributions.**

U.S. Supreme Court decision in the Citizens United open the floodgate of corporate contributions to both national and state level political campaigns for both parties. Despite one of the worst recessions that this country has seen, one would think there would be less money flowing into politics. However, the 2016 Senate election race realized historical injection of outside special interest money.

- In Minnesota, we saw the most expensive senate race in state history.

Disclosure of the sources of the funding of our elections and candidates, and how that money is spent, has long been considered central to the free and transparent functioning of our democracy. In fact, the Supreme Court has continued to uphold the constitutionality of disclosure laws, finding they serve broad important purposes.

This influx of special interest money has a harmful impact on Minnesota's democracy.

- **When special interest groups invest so much money in electing their favored candidate, that candidate will more likely than not, listen to them if they win.** And that means a Congress and local legislature more interested in what big money players think than what every day Minnesota citizens need. We're closer in danger of having government of, by, and for the special interests, not of, by, and for the people.
- **What are special interests expecting in return for political contributions?** It is naïve to believe that special interests would invest that kind of money without expecting something in return.

**On behalf of our 10,300+ multi-partisan membership base throughout Minnesota, I ask that you keep Minnesota's campaign subsidy program intact and funded.**

Respectfully Submitted,

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**People. Action. Democracy.**

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