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Report on Qualifications for Maine Clean Election Act Gubernatorial Candidates

JONATHAN WAYNE
EXECUTIVE DIRECTOR
MAINE ETHICS COMMISSION

OCTOBER 2008



Introduction and Summary

This report is submitted on behalf of the staff of the Maine Commission on Governmental Ethics and Election Practices (“Commission”) in response to the March 20, 2008 letter from the Joint Standing Committee on Legal and Veterans Affairs (Appendix A).¹ The staff appreciates the opportunity to provide information to the Committee regarding the qualifications for gubernatorial candidates seeking public funding under the Maine Clean Election Act (MCEA).

The Commission staff believes that MCEA campaign financing should be provided only to gubernatorial candidates who have demonstrated a high level of public support through the qualifying process. This is a fundamental principle of the program regardless of the state’s fiscal condition. Yet, given the current budgetary challenges facing the state, it is even more important and prudent to review the qualifying process for gubernatorial candidates to ensure that candidates seeking public funds for their campaign truly have significant support from Maine voters. This is necessary to conserve scarce public funds needed for the MCEA program and to help maintain support for it. The staff is concerned that the current qualifying requirements for gubernatorial candidates are not an adequate measure of the necessary depth of public support for that candidate’s application for public campaign funds.

¹ The recommendations and comments included in this report are made on behalf of the Commission staff, except for the viewpoints in the following section which were expressed by the members of the Commission at their July 28, 2008 meeting.

As discussed further in this report, we recommend:

- (#1) requiring gubernatorial candidates seeking MCEA funding to collect at least \$30,000 in seed money contributions from registered Maine voters. This would be a reasonable, attainable objective for candidates to demonstrate that they have the depth of public support to merit receiving full public funding of their campaigns.

The staff also encourages consideration of two additional issues:

- (#2) adopting a qualifying period for independent candidates for Governor that is the same length as for candidates in a political party; and
- (#3) increasing the initial payment for the primary election from \$200,000 to \$300,000 (or higher) with a corresponding \$100,000 reduction in the maximum amount of matching funds for the primary. This would provide more adequate funding in the primary election period for serious MCEA candidates who anticipate a vigorous primary election.

The staff raises issues #2 and #3 in order to encourage further discussion, although we are not prepared at this time to make a specific statutory proposal.

In preparation for this report, the Commission held a hearing on June 27, 2008 to receive comments from the public on the sufficiency of the qualification requirements for gubernatorial candidates. Written testimony received at the hearing is attached as Appendix B.

Views of Commission Members

At their July 28, 2008 meeting, members of the Commission responded to public testimony received the previous month, and expressed their own points of view for inclusion in this report. The Commission Chair, Michael P.

Friedman, noted that the MCEA was the result of a citizen initiative directly

approved by Maine voters in 1996. He stated that the Maine Legislature should not eliminate funding for gubernatorial candidates due to a lack of funding - or make major changes to the MCEA - without giving the issue to Maine citizens to decide. He said that he understood that the qualification process had been made more difficult, but that the Maine Clean Election Fund should be there for serious candidates who can qualify. He expressed that it would be a terrible mistake for the Commission to endorse elimination of the gubernatorial part of the MCEA program.

Commission member Ed Youngblood said that he agreed with the Chair, that Maine people put the law in place, and that any major change should come from the people - not from their representatives. David Shiah said that the Chair's comments were well-stated, that the MCEA had proven itself worthy of the voters' wisdom, and that any major changes to the MCEA should go back to the voters. Mavourneen Thompson was unable to participate in the meeting due to a technological problem with the telephone system, and Francis Marsano did not make any comments.

The views expressed by the Commission members at the July 28, 2008 meeting are consistent with the consensus of the Commission members at a previous meeting on April 6, 2007. At that meeting, members Andrew Ketterer, Vinton Cassidy, Jean Ginn Marvin, Michael P. Friedman, and Mavourneen Thompson declined to make a recommendation to terminate the gubernatorial portion of

the MCEA program at the invitation of Appropriations Committee member, Sen. Karl Turner.

History of Public Funding of Gubernatorial Campaigns in the United States

Public campaign financing programs for candidates seeking a variety of offices have been in operation since the 1970s. U.S. Presidents, Governors, legislators, mayors, judges, and other elected officials have successfully participated in and been elected to office using these programs, including:

- *Candidates for U.S. President.* The United States has operated a public financing system for presidential candidates since the 1976 elections. Until this year, every major party nominee for U.S. President has voluntarily participated in the program for the general election, which involves receiving full public funding and accepting no private contributions. Partial public funding has also been available to presidential candidates for the primary elections, but has been less successful recently due to outdated spending limitations.
- *Governor of the State of Michigan.* Michigan has a system of partial public funding in which candidates for Governor may accept private contributions and public funding. In the first five gubernatorial elections in which the program was in effect (1978 - 1994), every general election candidate participated in the program and all but one primary election candidate participated. In the past three elections, however, the program has been less successful in attracting candidates. General election candidates who qualify for public funding receive a lump sum of \$1,125,000 from the state and may accept private contributions up to a spending limit of \$2,000,000. Publicly funded primary election candidates receive \$2 from the state for every \$1 received from a Michigan resident (i.e., the first \$100 of a resident's private contribution is matched 2-1).
- *Governor of the State of New Jersey.* New Jersey also has a system of partial public funding for gubernatorial candidates in which the state matches up to \$3,000 of private contributions at a rate of 2-1. Every elected Governor from 1977 to 2001 participated in the program. In 2005, both major party nominees were personally wealthy and self-funded their campaigns.

- *Governor of the State of Arizona.* The current Governor of Arizona, Janet Napolitano, was elected twice in 2002 and 2006 under Arizona's Clean Election Act. She continues to be supportive of the program in public comments.
- *Governor of the State of Connecticut.* Connecticut has adopted a full public financing program for candidates for Governor, other statewide offices, and the legislature. In this year's elections, roughly 80% of the state's legislative candidates have opted into the program. Public funding for Governor will be available in 2010.

Enactment of Public Financing in Maine

In 1996, Maine voters approved the citizen initiative that established a public campaign financing program for candidates seeking the offices of Governor, State Senator, and State Representative. Nothing in the citizen initiative suggests that funding for gubernatorial candidates was a lesser priority than funding for legislative candidates. Gubernatorial and legislative candidates are paid from a single special revenue account, the Maine Clean Election Fund.

In June 2008, the Critical Insights firm of Portland, Maine conducted a public opinion survey for the Maine Citizens for Clean Elections. The survey found that a "strong majority of Maine residents (82%) believe that gubernatorial candidates should use Maine's Clean Election Law," and that "[t]hree-fifths of Maine residents said they would be more likely to vote for a candidate for governor who participated in Maine's Clean Elections program." A summary report of findings is attached as Appendix C.

Participation in the MCEA by Maine's Gubernatorial Candidates

MCEA funding for gubernatorial candidates first became available in the 2002 election. Two candidates for Governor qualified in 2002:

- Jonathan Carter (Green-Independent)
- Hon. James D. Libby (Republican - primary only)

By 2006, the MCEA program began to be viewed as a viable campaign financing option, and four gubernatorial candidates qualified for MCEA funding:

- Hon. Chandler E. Woodcock (Republican)
- Hon. S. Peter Mills (Republican - primary only)
- Patricia LaMarche (Green-Independent)
- Hon. Barbara E. Merrill (Independent)

In 2006, several other candidates for Governor declared an intention to qualify for public funding. Candidates John M. Michael and David J. Jones met the petition requirements for access to the ballot and came close to qualifying for public funding, but did not ultimately qualify.

Current MCEA Qualifications for Governor

Qualifying contributions. Currently, candidates for Governor must collect 3,250 qualifying contributions from registered Maine voters during the applicable qualifying period for the candidate (discussed in the next section). Qualifying contributions are donations of \$5 payable to the Maine Clean Election Fund, which the candidate's campaign collects from contributors and submits to the Commission during the qualifying period. In 2007, the

Legislature increased the required number of qualifying contributions from 2,500 to 3,250. This amounted to a 30% increase in the qualification requirement.²

Qualifying periods. Under current law, the qualifying periods for 2010 gubernatorial candidates will be:

- 11/1/09 - 4/15/10 (5½ months - for candidates who are enrolled in a political party)
- 11/1/09 - 6/2/10 (7 months - for independent candidates)

Qualification for the ballot. In order to receive public funding under the MCEA, candidates must qualify to appear on the election ballot. The deadline for party candidates to qualify by nominating petition is March 15 of the election year, and the deadline for independent candidates to qualify by petition is June 1.

Role of Seed Money in the MCEA Program

Candidates for Governor intending to qualify for public funding may collect up to \$50,000 in seed money contributions to finance their campaigns prior to receiving public funding. These are contributions of up to \$100 made by individuals only. The contributors do not have to be registered Maine voters

² Qualifying contributions may be made by personal check or by cash, or by credit card on a website established by the Commission. If the contribution is made by check or by cash, the contributor must sign a receipt and acknowledgement (R&A) form. Candidates must obtain from municipal registrars verification of the voter registration of each individual who provided a qualifying contribution.

and may reside outside Maine. The MCEA provides the Commission with the authority to adjust the \$50,000 maximum by rule-making, and the Commission currently is considering a rule change to increase the maximum amount to \$150,000.

Collecting seed money is not a requirement under current law. Candidates are free to collect as much seed money they believe is necessary to run their campaigns prior to receiving public funding, up to the \$50,000 maximum.

Payments Amounts

Under current law, gubernatorial MCEA candidates receive an initial payment for the election. They may also qualify to receive matching funds if a traditionally financed opponent raises more than the initial payment or if independent groups make expenditures supporting their opponent:

| | Initial Payment | Maximum Matching Funds | Maximum for Election |
|----------------|-----------------|------------------------|----------------------|
| Primary | \$200,000 | \$400,000 | \$600,000 |
| General | \$600,000 | \$600,000 | \$1,200,000 |

Candidates who are enrolled in a political party receive an initial payment of \$200,000 regardless whether they have an opponent in the primary election. Independent candidates receive the initial payment of \$200,000 for the primary election if they qualify by April 15th of the election year (the deadline for party candidates), rather than by June 2nd (the end of the qualifying period for

independents). As discussed below in recommendation #3, the Commission staff encourages discussion of increasing the initial payment for the primary election to \$300,000 (or higher).

On-Line Qualifying Contributions in 2010

In the 2010 elections, the Commission staff will introduce an operational change which we believe will reduce the administrative workload for gubernatorial candidates seeking MCEA funding. In February 2008, the Commission established a new on-line service so that Maine voters could use a personal credit card to make a \$5 qualifying contribution to a candidate. In 2008, 254 legislative candidates (77% of all 2008 MCEA candidates) collected 2,810 qualifying contributions using this feature. Among Senate candidates, the top ten candidates who used the system the most collected between 32% and 62% of the required number of qualifying contributions on-line; among the top ten House candidates, the rate was between 62% and 116%.

The Commission staff intends to make this on-line service even more useful to candidates running in 2010 because it will verify the voter registration status of the contributors by comparing the contributor's name and address to data in the central voter registration system. The on-line qualifying contribution system will alleviate the administrative burden on the gubernatorial candidates in two ways:

- For qualifying contributions received on-line in 2010, candidates for Governor will not need to obtain a personal signature from the

contributor on an R&A form. This will allow the candidate or an outside group to reach Maine voters inexpensively by e-mail.

- For those qualifying contributions verified by the Commission's website as valid, the candidate will not need to contact municipal registrars to verify contributors' voter registration.

Dozens of politically active groups in Maine that are organized around social, economic, and cultural issues have e-mail lists of supporters. Some of these lists may have been compiled for previous ballot question or candidate elections. At the request of candidates - or on their own initiative - these groups could send e-mails to their supporters at low cost asking them to go on-line to the Commission's website and make a \$5 contribution to help one or more candidates qualify for MCEA funding. The candidates would have received a valid qualifying contribution with essentially very little or no effort on their part. Candidates could also purchase these lists of names and e-mail addresses from the advocacy groups or from private database companies, and could send the e-mail solicitations directly to Maine voters.

While the Commission staff is pleased to offer candidates options to make the qualifying process more efficient, we expect that these innovations could substantially offset the Legislature's 2007 increase in required qualifying contributions from 2,500 to 3,250. That is one of the reasons why the Commission staff believes it is necessary to give further consideration to new qualifying requirements, such as the collection of \$30,000 in seed money.

Financial Status of the Maine Clean Election Fund

The Commission staff has made preliminary projections about the cost of the MCEA program for legislative and gubernatorial candidates in the 2010 elections. These projections are attached as Appendix D. Preliminarily, the Commission staff has presumed that four candidates for Governor will qualify for MCEA funding in the 2010 general election.³ Under these presumptions, the Fund will barely break even in 2010 and will have insufficient reserves for the 2012 election. For this reason, the Commission staff believes it is prudent for the Legislature to reconsider the qualifications for gubernatorial candidates (staff recommendation #1).

Staff Recommendation #1 - Require Seed Money Contributions for Gubernatorial Candidates

Gubernatorial candidates who qualify for MCEA funding and participate in the 2010 general election will likely receive more than \$1,000,000 each. Given the substantial amount of public funds involved, we believe that the threshold for receiving these funds should be quite high, and that it is reasonable to subject gubernatorial candidates to additional qualification requirements than those for legislative candidates. If gubernatorial candidates without a credible, demonstrated level of public support were to qualify for such a large amount of funding, legislative and public support for the MCEA program overall would

³ The actual cost of the gubernatorial program will be determined by which candidates choose to run for Governor in 2010 and which candidates will attempt to qualify for public funding. It is very difficult to accurately forecast these candidate decisions at this time. Better information will become available after the 2008 election cycle concludes. The Commission staff will update these projections for the 2009 legislative session.

likely diminish, and large amounts of scarce public dollars that are needed for candidates in future elections will be drawn down. For reasons discussed below, we recommend that gubernatorial candidates be required to collect at least \$30,000 in seed money from Maine voters as an additional demonstration of public support in order to qualify for public financing.

Collecting \$30,000 in Seed Money is an Achievable Goal for Serious Candidates

Requiring the collection of seed money, in addition to the required number of qualifying contributions, is a reasonable way to measure the degree of public support for a candidate within the state. A gubernatorial candidate who is serious about being elected the chief executive officer of the state of Maine has to develop the capacity to mount a statewide campaign. He or she should also be able to organize an effort to garner the support of individuals who are convinced of the candidate's political viability and who are willing to make a seed money contribution in support of that candidate qualifying for public campaign funds. The Commission staff believes that a requirement to collect \$30,000 in seed money contributions from individuals within the state would be a credible demonstration of that support. The staff also believes that this requirement would not be overly burdensome for candidates, particularly given the proven success and efficiency of political fundraising on-line through candidate websites. The \$30,000 requirement could be achieved through collecting, for example:

- 300 contributions of \$100,

- 467 contributions of \$75, or
- 600 contributions of \$50.

This would be a reasonable requirement and a manageable objective⁴ for serious candidates applying for public campaign funds. Gubernatorial candidates who are not able to meet this demonstration of public support within the state of Maine would be appropriately screened out of the public funding program.

Collecting \$5 Qualifying Contributions, Alone, is Not an Adequate Measure for Gubernatorial Races

The Commission staff appreciates that collecting 3,250 qualifying contributions is not an easy proposition. Nevertheless, we believe that, by itself, it is not an adequate measure of public support to qualify for more than \$1,000,000 in public funds:

- When a Maine voter agrees to make a \$5 qualifying contribution to a candidate, in many cases the contribution can indicate some level of support for the candidate. In other cases, however, some segment of the public who can afford to give \$5 will make the contribution simply because of their relationship with the person who asked or merely because someone asked them.
- As discussed above, the availability of on-line qualifying contributions with automated verification of the contributor's voter registration may substantially offset the increased requirement of 3,250 qualifying contributions.

The requirement to raise \$30,000 in seed money contributions creates an additional indication of the depth of public support for a gubernatorial

⁴ Candidates can begin raising seed money contributions at any time. There is no fixed start date, unlike qualifying contributions which cannot be collected by gubernatorial candidates prior to the November 1st one year before the general election.

candidate. To raise the required amount, candidates will have to make the case to contributors from Maine that theirs is a candidacy worth supporting and that they merit the opportunity to finance their campaign with public funds.

Objection to Private Fundraising

The Commission proposed requiring seed money in 2007 (L.D. 1854), but that provision was removed from the enacted bill. Some objected to requiring private fundraising as a qualification for a program that is based on the concept of full public financing. The Commission staff offers a few responses:

- The required collection of \$30,000 in seed money contributions would not fundamentally alter the public nature of the MCEA program because the \$30,000 in required private contributions would be a minimal fraction (less than 3%) of the more than \$1,000,000 that a publicly financed candidate would receive.
- Under existing law, gubernatorial candidates in 2010 may choose to collect far more than \$30,000 - particularly if they are in a competitive primary election. If so, imposing a \$30,000 requirement of seed money would not force these candidates to change their behavior significantly.
- Candidates seeking MCEA funding may receive seed money contributions from highly restricted sources (individuals only) in order to diminish the contributors' influence on the political process. Advocacy organizations, labor unions, and trade associations are not allowed to make seed money contributions. Lobbyists generally cannot give seed money contributions, because the qualifying period largely coincides with the legislative session. The result is that most contributors of seed money donate up to \$100 to a candidate because they believe in the candidate, or the candidate's policies or leadership potential. This support-based or ideological-based financial support from individuals is more benign than the large influence- or access-based contributions that are decried in federal elections.
- Other states which offer public funding for gubernatorial candidates have recognized that private fundraising is an acceptable requirement to demonstrate the public support necessary to receive public funding:

- ❖ in Connecticut, candidates for Governor must raise \$250,000 in private contributions between \$5 and \$40 to qualify for public funding;
- ❖ in New Jersey, a candidate for Governor must collect \$300,000 in contributions under \$3,000 to qualify for public funding; and
- ❖ in Michigan, candidates must collect \$75,000 in qualifying contributions (the first \$100 of any size contribution by a Michigan resident) to receive public funding.

Staff Recommendation #2 - Uniform Qualifying Period for Party and Independent Candidates

Under current law, independent candidates for Governor have the same basic requirement (collecting 3,250 qualifying contributions) to receive MCEA funding as candidates who are running to be the nominee of a political party.⁵ Under the qualifying periods listed on page 8, independent candidates have a 30% longer period of time (7 months) in which to qualify for general election funding than “party candidates” (5 ½ months). The Commission staff has received informal comments that this additional time gives independent gubernatorial candidates a significant advantage in the qualifying process, and that the MCEA should provide for a single qualifying period of equal length for party and independent candidates. The Commission staff believes this suggestion is worth consideration by the Legislature, although there is a rational basis for keeping the current law as is (i.e., independent candidates receive less funds overall if they do not qualify by April 15th, and they have a later deadline for submitting petition signatures to get on the ballot).

⁵ Unlike the requirement that independent candidates for Governor collect twice the number of signatures of registered voters to get on the general election ballot (4,000 as opposed to 2,000), independent gubernatorial candidates have the same qualification requirements for MCEA eligibility as party candidates.

Staff Recommendation #3 - Consider Increasing the Amount of the Initial Payment for the Primary Election to \$300,000 (or Higher)

In 2010, the state will likely have vigorously contested primary elections in at least two of Maine's three political parties. The MCEA program must function successfully for both the primary and general elections, or candidates will not opt into the MCEA program and it will not achieve its mission of serving as a viable alternative to private fundraising.

Under current law, 2010 gubernatorial candidates who qualify for MCEA funding for the primary election will receive an initial payment of \$200,000 for the primary. If they are running against a high-spending traditionally financed opponent - or face significant independent expenditures by outside groups - they may qualify for additional matching funds of up to \$400,000. So, the candidate may receive a maximum of \$600,000 in MCEA funds for the primary election.

In the course of the Commission's current rule-making, the Commission staff has received some informal suggestions that the amount of the initial \$200,000 payment for the primary election is too low and may deter candidates from entering into the program. The suggestion has been raised that the initial payment should be increased to \$300,000 (or possibly \$400,000) in order to make the MCEA a viable option for gubernatorial candidates who anticipate a contested primary election.

After some reflection, the Commission staff recommends considering an increase in the initial payment amount to \$300,000 (or higher), for the following reasons:

Concern of being outspent. The Democratic and Republican party primary elections will likely include traditionally financed candidates with fundraising experience that will allow them to raise significantly more than \$200,000. The Commission staff has attached a chart (Appendix E) showing the financial activity by the best-funded traditionally financed gubernatorial candidates in the 2002 and 2006 elections, broken down by month. As shown in the appendix and in the summary table below, traditionally financed candidates in the past two gubernatorial elections raised substantially more than \$200,000 for their primary elections.

| Candidate | Total cumulative campaign receipts by May 31 of election year |
|----------------------------|---|
| John E. Baldacci (2002) | \$711,284 |
| Peter E. Cianchette (2002) | \$452,160 |
| John E. Baldacci (2006) | \$552,541 |

Any 2010 gubernatorial candidates considering the MCEA program as an option who believe that they need comparable amounts of funding for the primary election may view the \$200,000 initial payment as a significant handicap.

In considering whether an initial payment of \$200,000 for a primary election is sufficient, it may also be worth noting some of the larger amounts raised in the first congressional district alone by candidates in the 2008 Democratic primary election for the U.S. House of Representatives:

| Candidate | Total receipts | For period ending |
|--------------------|----------------|-------------------|
| Michael F. Brennan | \$270,327 | 6/30/2008 |
| Adam R. Cote | \$660,471 | 7/24/2008 |
| Mark Lawrence | \$461,007 | 6/30/2008 |
| Chellie M. Pingree | \$1,595,133 | 6/30/2008 |
| Ethan K. Strimling | \$642,212 | 6/30/2008 |

Timing of matching funds. Matching funds are a well-intentioned component of the MCEA program, but in practice they are an imperfect tool for keeping candidates on an equal playing field. In particular, they pose budgeting problems for MCEA candidates - particularly in a statewide race. Candidates who are counting on matching funds to be competitive with a traditionally financed opponent can be unsure if and when matching funds will be received.⁶ Sometimes, matching funds arrive so late in the election that candidates do not have sufficient time to make use of the funds. In contrast, traditionally financed candidates have complete control over the timing of their fundraisers and some control over the amount of funds raised.

For these reasons, the Commission staff believes it is worth considering whether the amount of the initial payment to gubernatorial candidates for the

⁶ Also, if independent expenditures are made in the 2010 primary election by outside groups, the express advocacy standard that is in effect until the final three weeks before a primary election is a major loophole that outside groups would be able to exploit.

primary election should be increased to \$300,000 (or higher), with candidates able to qualify for a correspondingly lower amount in matching funds.

Different initial payment amounts for the primary. In addition, the Commission staff also suggests considering whether the MCEA should pay different amounts to gubernatorial candidates for the primary election, depending on whether the candidate does or does not have an opponent in the primary and whether the candidate is enrolled in a “major party” or “minor party” as those terms are defined in the Election Law.

If a candidate is in a contested primary election, the major purpose of primary election campaigning is to influence the voters enrolled in that candidate’s political party. The number of voters that must be impacted by primary election campaigning is much larger for candidates in a major party, by a factor of roughly 50-1.⁷ Arguably, major party candidates participating in the MCEA need a larger public subsidy to reach these voters.

If a candidate has no opponent in a primary election, some funding undeniably is still necessary during the primary period to maintain staff and to build a statewide campaign operation. Nevertheless, the period of time in which an

⁷ In the 2002 and 2006 elections in Maine, 68,389 persons voted, on average, in the gubernatorial primary elections of the major parties (the Democratic and Republican parties). In contrast, only 1,437 voted, on average, in the 2002 and 2006 gubernatorial primary elections of the Green-Independent Party, the only recognized minor party in Maine. The enrollment of individuals in the Green-Independent Party as of October 21, 2008 is about 9.4% of the average enrollment in the Democratic and Republican Parties.

MCEA candidate must rely on the initial primary payment is typically only about 6-7 weeks (between certification in mid-April and receiving the general election payment in early June). So, a candidate without a primary election opponent arguably does not need the same initial payment amount (currently \$200,000) as a candidate with an opponent in a contested primary election.

The Commission staff suggests re-considering the uniform initial primary payment amount of \$200,000 which is currently paid regardless of the candidate’s opposition or party status. For discussion purposes, we would suggest:

| | | |
|--|---------------------|-----------|
| Major party candidates | Contested primary | \$300,000 |
| | Uncontested primary | \$200,000 |
| Minor party candidates | Contested primary | \$150,000 |
| | Uncontested primary | \$100,000 |
| Independent candidates who qualify by April 15 | No primary | \$100,000 |

The staff acknowledges that these suggested amounts would need to be re-examined at a future date if voter enrollment patterns shifted significantly.

Other Options for Amending the MCEA Gubernatorial Program

The March 20, 2008 letter from the Legal and Veterans Affairs Committee requested options for amending the qualifications for gubernatorial candidates seeking MCEA funding. Some additional options are discussed briefly below,

although the Commission staff is not recommending them. If you would like to receive further information regarding any of these options, please let us know.

Amending the Qualifying Contribution Requirement

In the 123rd Legislature, Sen. Peter Mills submitted L.D. 1680, An Act to Reform & Simplify the Clean Election Process. The bill combined the concepts of seed money and qualifying contributions. Under the proposal, candidates could collect qualifying contributions from \$5 to \$40. The contributions would be payable to their campaigns (rather than the Maine Clean Election Fund) and candidates would use the qualifying contributions to fund their campaigns before receiving public funding. To qualify for funding in a Governor's race, a candidate would need to collect at least 2,500 qualifying contributions, and would need to receive at least \$25,000 in qualifying contributions. The proposal is similar to the qualification process in Connecticut's recently enacted public financing program.

In the opinion of the Commission staff, L.D. 1680 would achieve many of the goals described in this report and is worthy of serious consideration. We would be pleased to offer further comment on the proposal during the 124th Legislature if needed.

Conditioning Payment of Full Public Financing on Past Electoral Success

Some public financing programs provide less than full public financing to candidates if they - or the nominee of their party - did not receive certain percentages of the vote in the previous election. For example, a candidate would receive less than the full public subsidy if the candidate received less than 20% or 10% of the vote in the previous election for that office, and the candidate would be eligible to continue with private fundraising up to certain spending limits. The Commission staff does not recommend this option because it runs contrary to the premise of the MCEA of full public financing. Also, there can be constitutional problems with disadvantaging independent candidates and candidates who are not in the major political parties.

Terminating the Gubernatorial Program

One option available to the Legislature is ending MCEA funding for gubernatorial candidates. This would amount to terminating one-third of the public financing program that was directly approved by Maine voters in 1996. As discussed above on page 3, the members of the Ethics Commission are opposed to ending this part of the program unless the issue is put to Maine voters.

Conclusion

In 1996, Maine voters directly approved a public campaign financing program for candidates running for Governor, State Senator, and State Representative.

The members of the Maine Ethics Commission urge the Legislature not to terminate the gubernatorial component of the program. In this report, the Commission staff recommends changes to the qualification process for gubernatorial candidates in order to:

- ensure that public funds are given only to serious gubernatorial candidates who are able to demonstrate that their application for public campaign funds has the credible support of members of the public;
- contain the cost of the gubernatorial program, which is an imperative in the context of the state's current fiscal condition; and
- protect the perception of the MCEA as a government reform program that is fiscally accountable.

The staff believes that the proposed requirements are reasonably attainable for serious candidates, are consistent with the public's intent in establishing the MCEA program, and will assure the Legislature that the gubernatorial program can be responsibly funded in 2010.

Thank you for your consideration of this report.

Appendix

A

SENATE

LISA T. MARRACHÉ, District 25, Chair
BRUCE S. BRYANT, District 14
DEBRA D. PLOWMAN, District 33

DANIELLE D. FOX, Legislative Analyst
JOHANNAH OBERG, Committee Clerk



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WRIGHT H. PINKHAM, SR.,
Lexington Township
MARK E. BRYANT, Windham
STACEY A. FITTS, Pittsfield

State of Maine
ONE HUNDRED AND TWENTY-THIRD LEGISLATURE
COMMITTEE ON LEGAL AND VETERANS AFFAIRS

M E M O R A N D U M

Date: March 20, 2008

To: Jonathan Wayne, Executive Director
Commission on Governmental Ethics and Election Practices

From: Senator Lisa Marrache, Representative John Patrick, Co-chairs
Joint Standing Committee on Legal and Veterans' Affairs

RE: Studying Qualifications for Maine Clean Election Act Gubernatorial Candidates

The Joint Standing Committee on Legal and Veterans' Affairs requests that as Executive Director of the Commission on Governmental Ethics and Election practices, you submit to the committee no later than October 1, 2008, a report regarding Maine Clean Election Act Gubernatorial Candidates. The report should consider the following:

- Sufficiency of current qualifying requirements for gubernatorial candidates seeking MCEA campaign funding;
- The financial demands on the Maine Clean Election Act Fund relative to the revenue received for the program;
- Qualifying requirements for gubernatorial candidates under MCEA compared to those of similar public financing programs in other states;
- The anticipated impact of permitting the collection of qualifying contributions via the internet; and
- Discussion of options for amending current requirements for MCEA gubernatorial candidates including eliminating funding of gubernatorial candidates from the program.

During the course of your study we recommend that you invite comments from the public to be received at an advertised public hearing.

Thank you for your time and consideration of this matter and we look forward to your report.

cc: Members, Joint Standing Committee on Appropriations and Financial Affairs
G:\COMMITTEES\LVA\123rd 2nd Session\Wayne memo on MCEA Gov S.doc

Appendix

B



Item: 5
June 27, 2008

Beth Edmonds
President of the Senate
3 State House Station
Augusta, ME 04333-0003
(207) 287-1500
Fax (207) 287-5862

June 27, 2008

Maine Commission on Governmental Ethics & Election Practices
135 State House Station
Augusta, Maine 04333

Dear Commission Members:

Thank you for providing the opportunity to comment on the Maine Clean Elections law and, in particular, the program for gubernatorial candidates.

I am proud to have been involved with this landmark citizen initiative from the very beginning. As someone who worked on the referendum in the early 1990s and subsequently ran as a Clean Elections candidate, I am committed to a strong, viable public financing system for both the legislative and gubernatorial elections in Maine. The Maine Clean Elections Act (MCEA) is a model for the nation and I would urge the Commission to avoid making any recommendations that would undermine the intent of the law and the will of the voters.

The qualifying process for gubernatorial candidates has already been the subject of much debate and analysis, and substantial changes were made by the 123rd Legislature. As you know, the qualifying bar for gubernatorial candidates was raised from 2,500 to 3,250 qualifying contributions -- a 30 percent increase over 2006. In addition, other policy changes were made last year to ensure the integrity and viability of the gubernatorial system. The Ethics Commission now has clear authority to decertify candidates, the distribution scheme for gubernatorial candidates puts more money up front and less in matching funds, new protections are in place to make sure qualifying contributions can be verified, it is illegal to assist an opponent in order to get more Clean Election funding, and all gubernatorial candidates will be audited and will start their campaigns with much clearer expectations for reporting.

Ethics Commission

Page 2

June 25, 2008

As part of the MCEA, voters approved a funding formula that would have been adequate to fund elections through 2010. The 2010 shortfall exists because successive governors and legislatures have borrowed from the Maine Clean Election Fund for other state programs. However, earlier this year, legislative language was approved that requires these monies to be restored.

Maine people want a strong public financing system and that system must be available to qualified candidates who seek Maine's most important office. I urge you to allow the changes the Legislature has already made to take affect and reject any attempt to weaken or eliminate this important program.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth", with a long horizontal line extending to the right.

Beth Edmonds
President of the Senate

Hon. Richard A. Bennett
75 Bennett Lane
Oxford, Maine 04270

June 27, 2008

Maine Commission on Governmental Ethics & Election Practices
135 State House Station
Augusta, Maine 04333

Dear Commissioners:

I am pleased to have the opportunity to write in support of Maine's Clean Election law. As a citizen and as a former President of the Maine Senate, I believe the law has served Maine people well, and the system should be preserved and protected for the upcoming gubernatorial race in 2010.

The Maine Clean Election Act is a success and serves a national model. The law embodies the highest principles of democracy by opening the door to elected office to many people who are either not inclined to engage in the private fundraising that is otherwise required of candidates or wealthy enough to fund their own campaigns. More candidates are running, and many more citizens are participating in the funding of our elections.

The Commission and the Legislature must be mindful of the fact that the Maine Clean Election Act is a citizen initiative that was passed with the majority support of voters in 1996. It has enjoyed strong support for more than a decade. The initiative contained a responsible and adequate funding mechanism, and it provided Clean Election funds for all legislative and gubernatorial candidates who qualify.

Since it went into effect in 2000, successive Legislatures have made mostly minor changes to make sure the system works well. Most changes have been in keeping with the intent of the law. One exception is using Clean Election Funds to balance the state budget – this use of designated funds is not in keeping with the “special, dedicated non-lapsing fund” that is defined in the law.

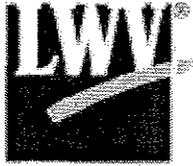
An attempt to undermine the intent of the law by radically altering or eliminating the gubernatorial system runs counter to the will of Maine voters. In my view, the intent of Maine voters must continue to be respected by sustaining both the legislative and gubernatorial systems and ensuring that they are funded as prescribed by the law. I urge the Commission to staunchly defend the integrity of this important, citizen-initiated statute.

Thank you for your attention.

Sincerely yours,



Richard A. Bennett



LEAGUE OF WOMEN VOTERS OF MAINE

PO Box 863
Augusta, ME 04332-0863

(207) 622-0256
lwvme@gwi.net

TO: The Commission on Governmental Ethics and Election Practices

RE: Testimony on Maine Clean Election Act Qualifications for Governor

The League of Women Voters urges you today to support continued public funding for candidates for governor in 2010 and beyond. We believe that failure to retain the public financing system for Maine's gubernatorial candidates would be a breach of public trust and an enormous loss to the public good.

The Maine Clean Elections Act was a landmark reform that appeared on the ballot in 1996, a Presidential election year when Maine ranked #1 nationwide in voter turnout. This measure passed with 56% of the vote. More Maine voters (320,755) said "yes" to this ballot question than have voted for any winning gubernatorial candidate in the last fifteen years.

Despite the fact that the MCEA provided a separate and discrete funding mechanism to support public financing, the financial stability of the program has already been eroded through past borrowing from, and failure to repay, the Maine Clean Elections Fund. The Maine Clean Elections Fund should be fully funded, and borrowed funds should be restored.

The League of Women Voters believes in public funding for elections at both the national and state level. The League's position on Campaign Finance reflects our continuing concern for open and honest elections and for maximum citizen participation in the political process. The League's position is that the methods of financing political campaigns should ensure the public's right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office, and allow maximum participation in the political process.

The MCEA works to accomplish these important goals. Maine's public financing system is an exemplar of good government practice to be emulated in other states around the country and at the federal level. The annualized cost of public financing in Maine is truly modest in light of the fundamental public benefit it provides.

We urge you to recommend in support of continued public funding of gubernatorial candidates under the Maine Clean Elections Act.

Ann Luther, President
League of Women Voters of Maine
June 27, 2008

The League of Women Voters has been a leader in seeking campaign finance reform at the state and federal levels for more than three decades. The League was a founding member of the coalition now called Maine Citizens for Clean Elections that worked to pass the landmark Maine Clean Elections Act just over ten years ago.

Founded in 1920, the League of Women Voters is a nonpartisan political organization that encourages informed and active participation in government, works to increase understanding of major political policy issues, and influences public policy through education and advocacy.

Maine Citizens for Clean Elections

P.O. Box 18187, Portland, ME 04112
www.maineclipselections.org
info@maineclipselections.org

(207) 664-0696 Ann Luther, Co-Chair
(207) 879-7440 Alison Smith, Co-Chair
(207) 799-1596 Jill Ward, Program Director

Testimony before the Commission on Governmental Ethics and Election Practices

Re: Qualifications for Maine Clean Election Act Gubernatorial Candidates

Alison Smith, Co-Chair, Maine Citizens for Clean Elections

June 27, 2008

On behalf of Maine Citizens for Clean Elections (MCCE), a coalition of individuals and organizations committed to the continued successful implementation of the Maine Clean Election Act (MCEA), I am pleased to submit testimony with respect to the MCEA's gubernatorial public funding system.

Public funding in the gubernatorial race is important, and it is integral to the Clean Election system.

Let me begin by stating clearly that, to anyone concerned about the role of special interest money in Maine elections, the race for governor is by far the single most important race. The governor is our only popularly elected statewide state official. The governor's office is unarguably the most powerful in the state, and the case can be made that reducing the influence of private money on this highest state office is among the MCEA's most important functions.

The gubernatorial public funding system is a critical and integral component of the Maine Clean Election Act. It is not in any way separate from the legislative system. Maine voters created and passed into law a program that provides limited public dollars to all candidates for state office who qualify for funding. Although we have heard legislators say that the gubernatorial system was an "add-on" to the citizen-initiated law, this is simply not true. It is and always was one system, one Fund, one program for all state races.

The gubernatorial system benefited from an exhaustive review in the 123rd Legislature.

MCCE understands that it is important to continually examine the law and its implementation to ensure it is working as Maine voters intended. Both this Commission and the Legislature have taken their evaluation roles seriously ever since the law went into effect, and MCCE has participated in every legislative and administrative review.

After the 2006 election, both the Ethics Commission and the Legal and Veterans Affairs Committee conducted many hearings and work sessions, discussed countless policy proposals, and engaged the public, including our coalition, in an exhaustive evaluation of the 2006 election cycle. The problems that were experienced in the gubernatorial race

Maine Citizens for Clean Elections is a nonpartisan coalition of individuals and organizations that have worked together to help pass Maine's Clean Election Act and that continue to work together to support and defend its use and the integrity of its implementation. Its organizational members include AARP, Common Cause Maine, the League of Women Voters of Maine, Maine AFL-CIO, Maine People's Alliance, NAACP-Portland, Maine Council of Churches and Peace Action Maine.

due to the behavior of several candidates created an appropriate sense of urgency among lawmakers and informed every discussion.

The result was that significant changes were made, including making it harder to qualify for gubernatorial funding and giving the Commission specific authority to decertify candidates. Obviously, there has been no opportunity to test these changes, so there is no evidence on which to base a case for need of the sorts of additional changes that are contemplated in the Commission's June 3rd memo. For the most part, the ideas in that memo were considered by the 123rd Legislature and either adopted or rejected. For example, the number of Qualifying Contributions was raised by a substantial 30 percent, but lawmakers declined to institute mandatory Seed Money or equalizing the length of the qualifying period for unenrolled and party candidates.

What is the rationale for further review prior to the 2010 election?

The Commission would do well to consider why there is such unprecedented attention being given to the gubernatorial system at this time. We believe it springs from several different concerns. First, the Legislature is concerned about the cost of the program. Second, there is anxiety that a so-called "fringe" candidate may qualify, wasting taxpayer dollars. These are both legitimate concerns and are important elements of any policy discussion and are more fully discussed below.

Other concerns provide less solid ground for policy changes. There is general unease about the state of the economy, for example, but this is not a problem that can be addressed through tweaks to the Clean Election program. There is also some residual resistance to the concept of public funding itself. This opposition, by itself, is no basis for policy revisions.

It is important to remember that opponents of public funding lost the fight in 1996 when the referendum passed with 56 percent of the vote, and they lost again in 2000 when the state won the federal lawsuit that sought to overturn the law. While each successive legislature has thoroughly debated the merits of the program and addressed concerns, each election cycle has revealed a high level of satisfaction among candidates and the general public. We have a successful program that remains a model for constitutional, workable reform.

Funding the Clean Election program

Legislators sometimes complain to us that Maine voters approve expensive programs and leave it up to legislators to fund them, but this is not the case when it comes to Clean Elections. The voter-approved Maine Clean Election Act contains a responsible, incremental funding mechanism that has proven adequate to fund the full program through 2010. Our current funding challenges arise wholly because successive legislatures and governors spent monies in the Clean Election Fund on other state programs.

This action has subjected elected officials to much criticism from the editorial pages and from Maine people, and that pressure has ensured that adequate monies were returned in time for the 2006 and 2008 election cycles. Although we have to remind them of their obligation every year, there is widespread consensus that those funds were borrowed, and the intent was always to return them to the Fund. This year's supplemental budget contained language calling for the restoration of much of the remaining borrowed funds in the 2010 and 2011 budgets. This will go a long way toward ensuring sufficient resources for the 2010 election. If there is a gap to fill in that cycle it will be much smaller thanks to this language and to the efforts of many rank and file legislators who made the case in their caucuses that the will of Maine voters must be honored.

Despite these facts, we continue to hear from legislators that the gubernatorial program costs too much. In fact, the distribution amounts were set by the Legislature in a change to the original law, and the Legislature seems satisfied with these levels. The only real attempt to lower the cost of the program has come from legislators who think the state should fund fewer candidates. Proponents of this idea have made different proposals that have one thing in common. All aim to make it harder for candidates who do not belong to one of the two major parties to receive public funds; some impose additional qualifications and others simply raise the bar higher for those candidates. MCCE has consistently opposed proposals that seek to implement a tiered system based only on major party affiliation.

The “fringe” candidate concern

MCCE fully supports the notion that the qualifying process must serve to separate the viable candidates from the nonviable ones. Candidates must demonstrate that they have the support of a substantial number of Maine voters in order to receive funding. That being said, Maine's electoral history simply disproves the notion that third party and independent candidates are always less viable than those in a major party.

While we think it is wrong to make policy based on a faulty assumption – that all non-major party candidates are probably “fringe” candidates – we agree that the bar must not be set too low, especially in the gubernatorial race. The sums received by candidates are appropriate for those who are prepared to run a serious statewide race with at least the potential for broad appeal. Maine has a rich history of quirky, one-issue candidates who bring something unique to the race, but who are not serious enough about winning to actually build the organization necessary to run a viable campaign. The qualifying process has so far been successful at sifting out those candidates, and MCCE is in favor of rigorous evaluation to make sure that in each cycle, the qualifying hurdle is set at the right height.

Changes made by the 123rd Legislature

During the 2006 gubernatorial race, concerns were raised that it was too easy for candidates to qualify. The legislature responded to this concern by raising the qualifying bar from 2,500 to 3,250 Qualifying Contributions – a 30 percent increase over 2006.

Reports we have received indicate that this higher threshold will be difficult to meet, as was the earlier, lower threshold. Every candidate who has successfully qualified, both in 2002 and 2006, has said it was a very difficult process. Many other candidates tried and failed to complete the process because they didn't have the support or the organizational capacity necessary.

MCCE believes the increase in the number of Qualifying Contributions was appropriate, and we think it is sufficient. Of course, there is no way to test this until the 2010 election, but 30 percent is certainly a significant increase.

The legislature also put more tools in the Ethics Commission toolkit that we believe will strengthen the Commission's ability to identify non-viable candidates. There is more accountability in the use of money orders, for example. Importantly, the Commission now has specific authority to decertify candidates under certain circumstances, and MCCE strongly supports this measure. Every gubernatorial candidate engaged in the qualifying process will understand from the beginning that their campaign will be subject to a rigorous audit. New restrictions on paying themselves, family members and businesses they own will ensure that no candidate is able to use Clean Election funding as a personal enrichment scheme.

In 2007, the legislature also permitted candidates to accept Qualifying Contributions over the Internet. We support this change and think it appropriately recognizes the growing use of the Internet by the public. It is also a cost-effective way for candidates to reach supporters and engage new voters in the electoral process.

There is some anxiety that this new candidate tool will make it much easier to gather Qualifying Contributions and possibly introduce new avenues for nonviable candidates to game the system. These concerns did not pan out in the legislative races this year. Only three Senate candidates and 13 House candidates collected half or more of their Qualifying Contributions online, though 243 candidates in total received at least one on-line. What participating candidates have told us is that even though it is a convenient option, it takes more than an email to get people to act. While we are mindful that the online option became available fairly late in the qualifying period, we are unconvinced that offering the online option has taken the challenge out of the qualifying process. We don't see evidence that further action must be taken prior to 2010 to reset the qualifying bar because of this change.

Keeping the system viable

MCCE is not prepared to endorse any additional statutory changes to the gubernatorial qualifying process at this time, feeling that the changes made by the 123rd Legislature adequately address the problems that were seen in 2006. Our system is basically sound, and there is no evidence to suggest that the law must be rewritten or the process changed radically. We are especially skeptical of changes that would replace Maine's tested system with elements of other states' laws whose success is yet unproven and where there are unresolved constitutional challenges. In addition, the later changes are made in the

cycle, the more difficult it is for candidates to make an informed choice about how to fund their campaigns. Potential candidates are wrestling with that decision right now and are likely to make up their minds within the next 6 months to a year, so this is no time to make big, fundamental changes.

As this process unfolds, we will actively engage in all public discussions to make sure the public interest is upheld. We will oppose changes that codify an advantage for major party candidates. We will consider changes that are relatively uncomplicated, enhance the viability of the system and are consistent with the principles that underlie the Maine Clean Election Act.

Non-statutory change to enhance viability: Raise the Seed Money cap

As important as it is to keep “fringe” candidates from receiving public funds, it is equally critical to ensure that the Clean Election option appeals to Maine’s strongest, most viable gubernatorial candidates.

While we believe the timing is not right for statutory changes, we do want to recommend that the Commission begin the rulemaking process to increase the Seed Money cap for gubernatorial candidates. The cap that is in effect today is \$50,000, an amount that was set back in the early 1990s when the law was drafted.

We have not heard legislative candidates complain that their seed money caps are inadequate, but the issue has been raised in our conversations with potential gubernatorial candidates. It is a concern worth addressing, since Seed Money is the only money available to candidates as they prepare to run for a statewide race and before public funds are received in the spring of 2010.

The statute specifically permits the Commission to revise the seed money amounts by rule in order to “ensure the effective implementation of this chapter.” We believe that raising the Seed Money cap will do just that by enhancing the attractiveness of the Clean Election system to strong candidates for governor. The change is in keeping with the higher costs for everything from gasoline to printing as well as the significantly higher qualifying threshold that 2010 candidates will be asked to meet.

If this change is made, the contribution limit for Seed Money will remain at \$100 per donor, ensuring that no individual donor wields undue influence. Corporations and political action committees will still be barred from making Seed Money contributions. It will still remain exactly what it is supposed to be: limited private money that candidates may raise early in their campaigns to get the campaign off the ground and successfully fulfill the requirements of the qualifying process.

Raising the Seed Money cap does not increase the cost of the Clean Election program. Any unspent Seed Money is deducted from the initial distribution, ensuring that candidates start out on a level playing field.

MCCE believes there is little harm in substantially increasing the Seed Money cap. Candidates must be able to raise and spend adequate resources to lay the groundwork for a successful campaign. The existing individual contribution and source limits ensure that this change will not allow big special interest money into Clean Election races.

For the purpose of kicking off your discussion, we suggest doubling it to \$100,000.

The rulemaking process will provide ample opportunity for interested parties to be heard, both on the merits of the change in general and on the specific amount, and we encourage the Commission to begin that process very soon.

Conclusion

We do not foresee the day that the Commission and the Legislature will stop scrutinizing the Clean Election program. As is true of all public programs, rigor must be used to ensure that public dollars are well spent, and that the purpose of the program is being fulfilled. Evaluation is important both for accountability to the public and for guidance to lawmakers as they contemplate changes to the law.

Given the thorough examination and substantial changes that were made this year and last, we ask the Commission to keep in mind these three words: **Do no harm.**

Thank you for the opportunity to comment. We are happy to answer questions about any proposals that are under consideration today.



June 27th, 2008

TO: Maine Commission on Governmental Ethics and Election Practices
FROM: Jon Bartholomew, Common Cause Maine
RE: Gubernatorial Clean Elections system

Common Cause Maine first would like to thank the Commission for the opportunity to weigh in on the future of the gubernatorial element of Maine's Clean Election program. Common Cause Maine was one of the founding members of the Maine Citizens for Clean Elections coalition and remains to this day active on this issue. Indeed, we have been working around the country to establish similar laws based on Maine's success.

In general, we want to go on record strongly supporting a viable system for candidates for Governor to use public financing for their campaigns. The office of the Governor is the most powerful and influential position in state government, and is also the most likely to draw the influence of special interests. Therefore it is imperative that the system that has so effectively taken the influence of big money out of the legislature also be an option to remove big money from the race for Governor. Gubernatorial Clean Elections has worked very well in Arizona for two elections now, and there is a good chance our next Governor could be publicly financed – as long as the option exists for the candidates. This is indeed a good thing for Maine's democracy as it would truly be a race about issues, qualifications and leadership instead of who can raise the most money for TV ads.

There will be many proposals for ways to move forward on this issue. Many will be good ideas, some bad, and some with unknown results. We will work closely with the rest of the Maine Citizens for Clean Elections coalition on determining what we support and what we do not. But there has been one idea put on the table that we must emphatically oppose – that of defunding the Gubernatorial Clean Elections program. Even a one-time suspension of the program is something we will not tolerate. While some may say that we can not afford to fund this program, I say we can not afford to NOT fund it. In terms of the overall state budget, the savings would be minimal but what we gain by having publicly financed candidates for Governor is priceless.

Thank you for your consideration of our position on this matter.

Jon Bartholomew
Common Cause Maine

jbartholomew@commoncause.org
207-878-4126



565 Congress St Ste 200 Portland ME 04101 (207) 797-0967 Fax (207) 797-4716 mpa@mainepeoplesalliance.org
145 Lisbon St Ste 201 Lewiston ME 04240 (207) 782-7876 Fax (207) 782-3236 kate@mainepeoplesalliance.org
27 State St Ste 44 Bangor ME 04401 (207) 990-0672 Fax (207) 990-0772 jesse@mainepeoplesalliance.org
www.MainePeoplesAlliance.org

June 27th, 2008

TO: Maine Commission on Governmental Ethics and Election Practices
FROM: Jesse Graham, Maine People's Alliance
RE: Gubernatorial Clean Elections system

On behalf of the Maine People's Alliance (MPA), I am pleased to submit testimony in support of the Maine Clean Elections Act's gubernatorial system.

The Maine Clean Election Act was passed as a citizen initiative in 1996 with the support of more than 56 percent of the Mainers who voted. The idea behind the law is to sever the connection between private money and public office and it allows candidates to run for office without engaging in extensive fundraising or spending their own money, thus making a run for office accessible to the average Mainer. The law has been extremely successful in legislative races and must be preserved for those interested in running for Maine's highest office.

MPA strongly supports the MCEA gubernatorial system and believes that it is a critical component of the law passed by Maine voters in 1996. While it is important to continually examine the law and its implementation to ensure it is working as Maine voters intended, we think the changes made to the qualifying requirements by the 123rd Legislature are meaningful and should be given the opportunity to work in 2010.

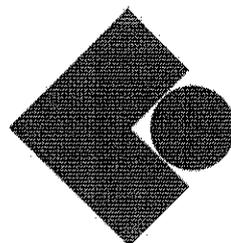
Gubernatorial public funding is threatened because successive governors and legislatures borrowed money from the Maine Clean Election Fund to use for other purposes. As part of the MCEA, voters approved a responsible mechanism for funding the system that would have ensured sufficient resources through 2010. Changes to the gubernatorial system should not be predicated on a challenge that does not represent a deficiency in the law. The legislature has rightly committed to restore the Fund in the next legislative cycle and we believe this is the appropriate course of action to ensure the integrity of the system.

We feel strongly that public financing be available to qualified candidates who seek Maine's most important office and will oppose any attempts to undermine the Clean Elections gubernatorial system.

Sincerely,

Jesse Graham
Executive Director
Maine People's Alliance

Appendix C



CRITICAL INSIGHTS

RESEARCH FOR PRECISE PRAGMATIC DIRECTION

*Critical Insights on Maine*TM

Spring 2008 Tracking Survey

Summary Report of Findings from Proprietary Items

Prepared for:

Maine Citizens for Clean Elections

Focus Groups • Surveys • Public Opinion Polling

120 Exchange Street, Portland, Maine 04101

Telephone: 207-772-4011 • Fax: 207-772-7027

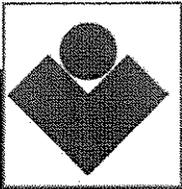
www.criticalinsights.com

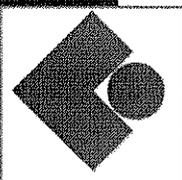


Background & Purpose

- Each Spring and Fall, Critical Insights conducts the *Critical Insights on MaineTM* Tracking Survey, a comprehensive, statewide public opinion survey of Maine residents which covers a variety of topics of interest to business, government and the general public.
 - In addition to general interest items (the results of which are released to the media as a public service), the survey also includes a number of proprietary items included on behalf of sponsoring entities, with results of those items released only to the sponsors.
- For the current wave of the study, Critical Insights completed a total of 602 telephone interviews across the state, and conducted analysis, between June 1 and June 27, 2008.
 - With a sample of 602 interviews, results presented here have an associated margin of error of ± 3.4 percentage points at the 90% confidence level, or ± 4.0 percentage points at the 95% confidence level.
 - All interviews were conducted by trained and professionally supervised interviewers at Critical Insights' Portland-based telephone data collection center.
 - On average, the entire survey instrument – including general interest items and all subscriber questions – was 31 minutes in administrative length.
 - Refusal rates for the study were approximately 3.8% overall, indicating that the sample was not tainted by non-response error.
- The results presented here detail findings from proprietary items included on the survey on behalf of the Maine Citizens for Clean Elections.

Summary of Research Results





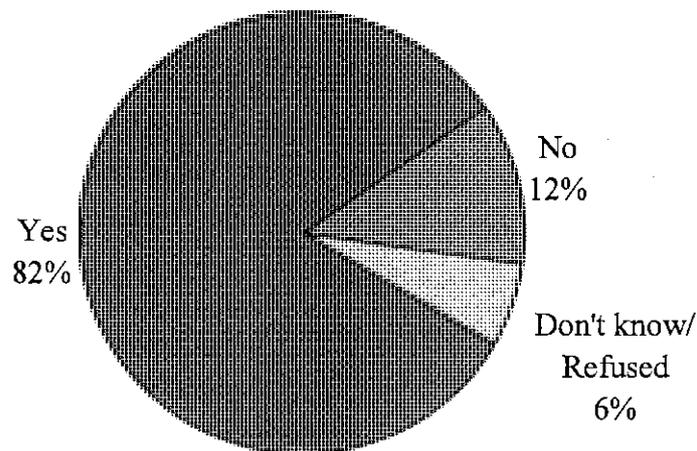
Residents' Attitudes Towards Maine's Clean Election Law

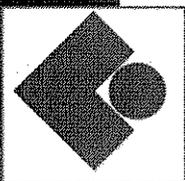
- The strong majority of Maine residents (82%) believe that gubernatorial candidates should use Maine's Clean Election Law, which provides public campaign funds for candidates who agree to spending limits and accept only small contributions from individuals.
 - Self-described “likely voters” were significantly more likely than those who do not typically vote to support use of the law.
 - Fully nine-in-ten residents who make \$50,000 to \$74,000 per year said they thought candidates for governor should use the law, significantly more than any other income group.
- Three-fifths of Maine residents said they would be more likely to vote for a candidate for governor who participated in Maine's Clean Elections program.
 - Significantly more registered Democrats, Independents, and self-described “likely voters” said they would be more likely to vote for such a candidate.
 - Residents with a high school diploma or less, residents making less than \$25,000, and residents aged 65 and older were significantly more likely to say they would be “very likely” to vote for a candidate who participated in the program.



Residents' Attitudes Towards Maine's Clean Election Law

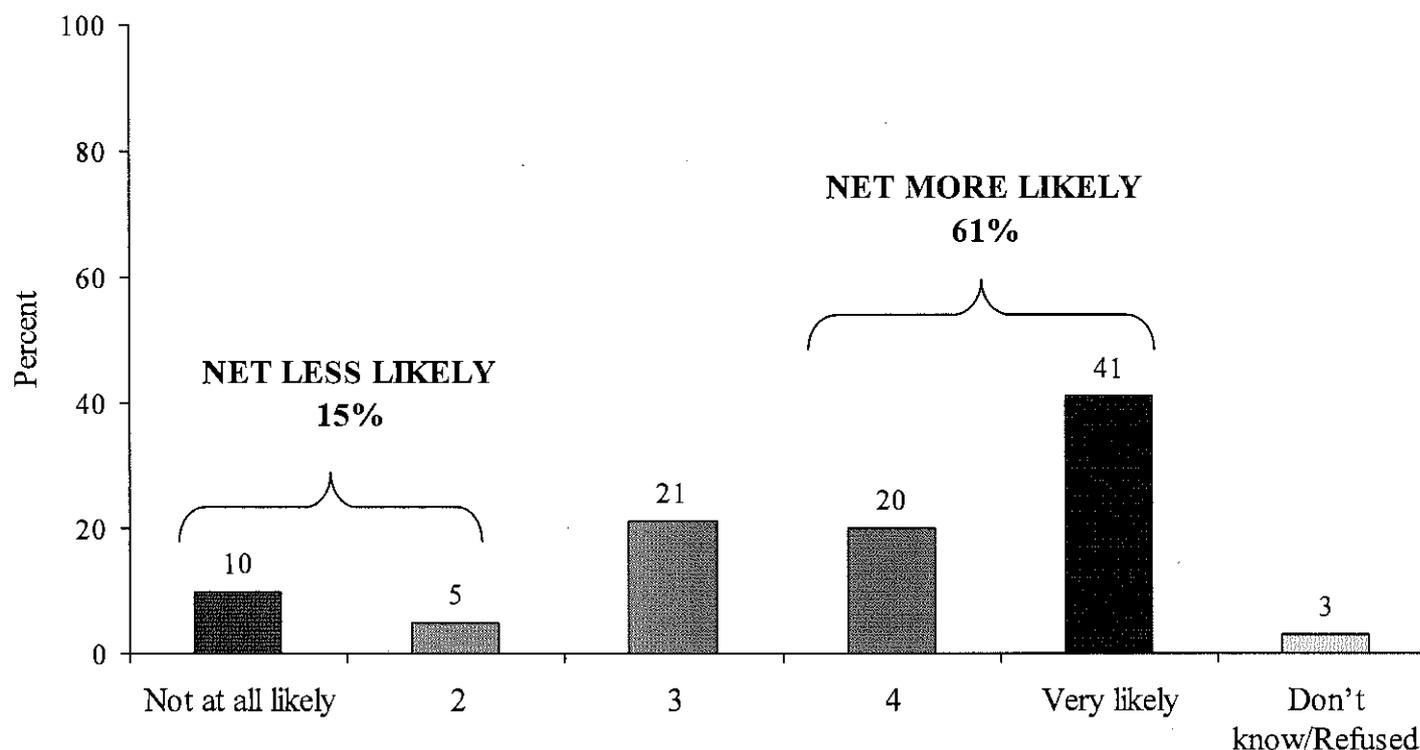
Do you think candidates for governor should use Maine's Clean Election law, which provides public campaign funds for candidates who agree to spending limits and accept only small contributions from individuals?



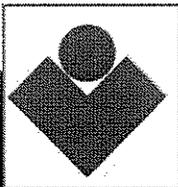


Residents' Attitudes Towards Maine's Clean Election Law

Would you be more or less likely to vote for a candidate for governor who participates in Maine's Clean Elections program, which provides public campaign funds for candidates who agree to spending limits and swear off special interest contributions?



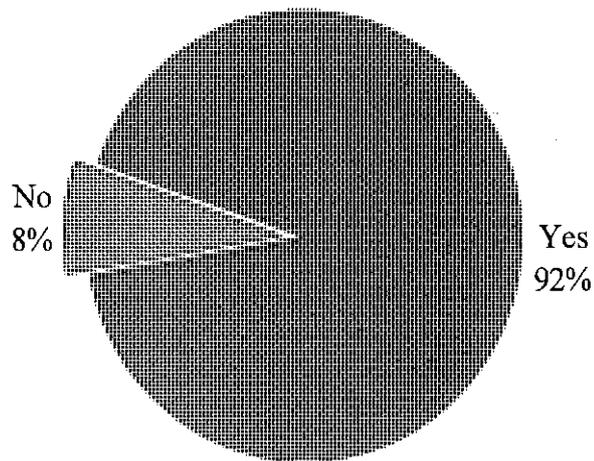
Sample Profile



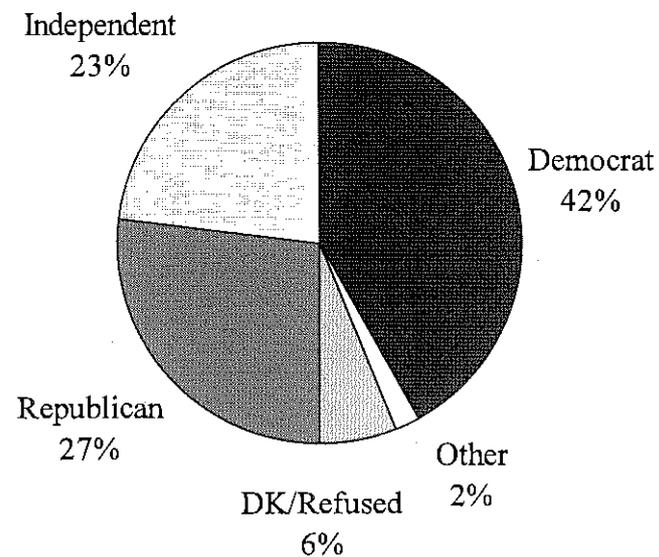


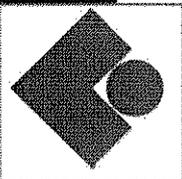
Voter Registration & Political Affiliation

Are you a registered voter in the State of Maine?

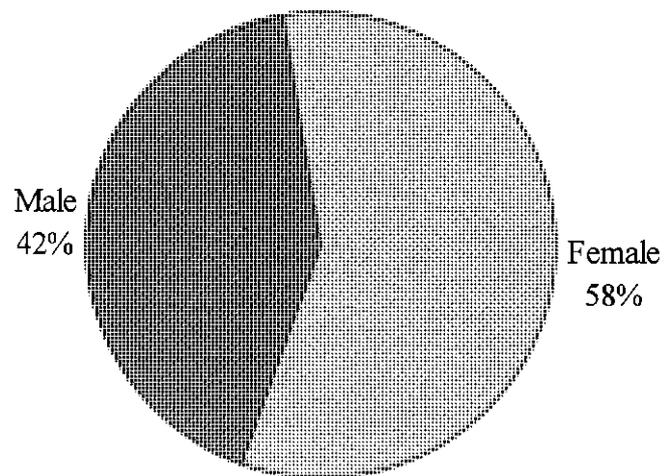


In what political party are you registered to vote?





Respondent Gender and Age

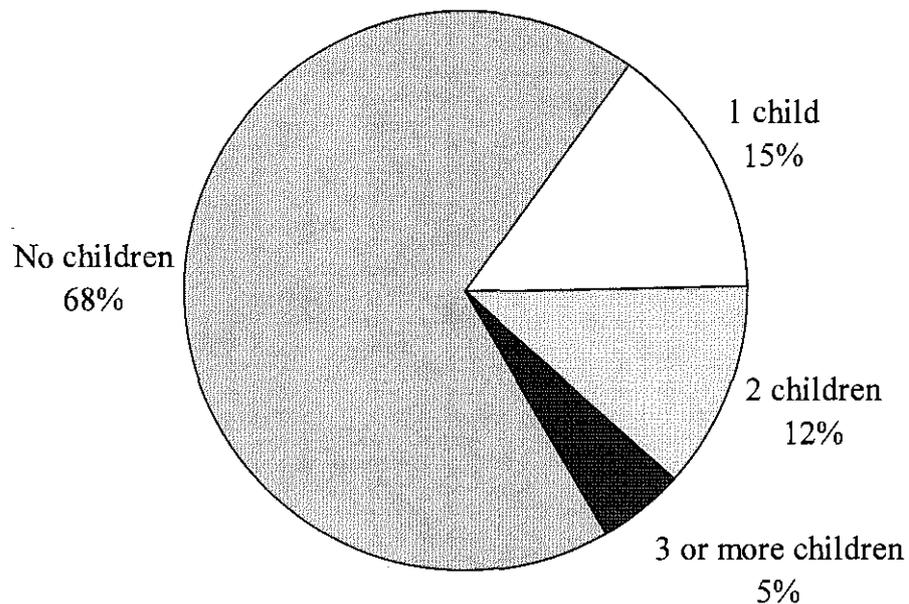


| Which of the following categories does your age fall? | Percent |
|---|---------|
| 18 to 24 | 4% |
| 25 to 34 | 9 |
| 35 to 44 | 15 |
| 45 to 54 | 26 |
| 55 to 64 | 22 |
| 65 to 74 | 15 |
| 75 and older | 10 |



Children in the Household

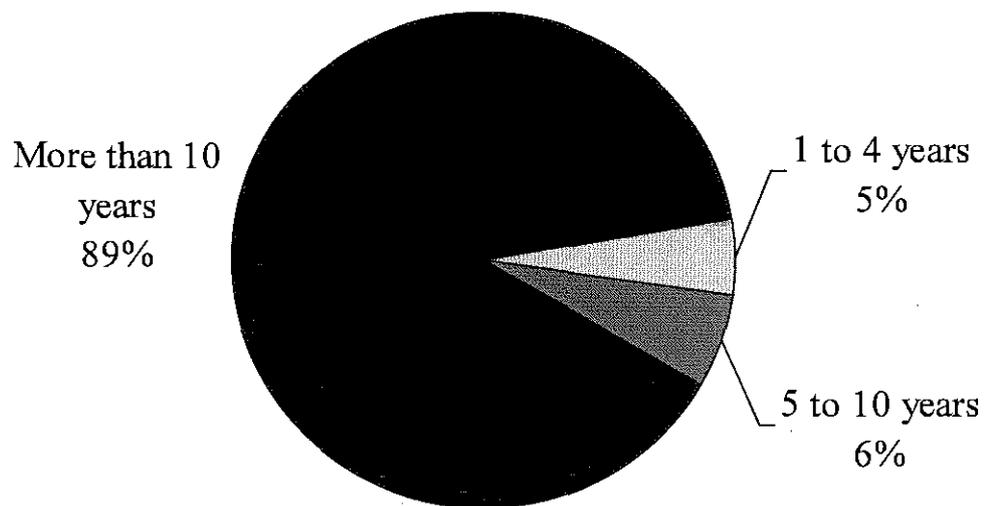
How many children, under the age of 18, live in your household?





Tenure of Residency in Maine

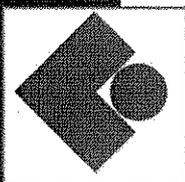
How long have you lived in the State of Maine?





Education

| What is the highest level of education you have completed? | Percent |
|--|---------|
| Some high school or less | 4% |
| Graduated high school | 22 |
| Technical/Vocational/Community College | 8 |
| Some college | 25 |
| Graduated college | 27 |
| Graduate school | 13 |



Household Income

| Which of the following categories best describes your total household income before taxes last year? | Percent |
|--|---------|
| Less than \$15,000 | 9% |
| \$15,000 to \$24,999 | 11 |
| \$25,000 to \$34,999 | 13 |
| \$35,000 to \$49,999 | 17 |
| \$50,000 to \$74,999 | 20 |
| \$75,000 or more | 24 |
| Don't know/Refused | 7 |

Appendix D



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commission Members
From: Jonathan Wayne, Executive Director
Date: August 19, 2008
Re: Update on Maine Clean Election Fund

This memo is to update you on the financial status of the Maine Clean Election Fund for the 2010 elections. In the 2009 legislative session, the Legislature will determine the state's budget for the biennium covering fiscal years 2010 and 2011. This period runs from July 1, 2009 to June 30, 2011, and covers the 2010 legislative and gubernatorial elections.

With your approval, the staff intends to ask the Governor to include in his FY 2010 and 2011 budget bill two transfers of money from the General Fund to the Maine Clean Election Fund totaling \$4,425,000. The Governor supported these transfers earlier this year, and they were approved by the Legislature in Part L of Chapter 539 of the Public Laws of 2007 (attached).

Past Commission Request to the Legislature

Roughly one year ago on August 13, 2007, I discussed with the Commission members that the Maine Clean Election Fund would not have sufficient money to pay candidates in 2010 due to past legislative deappropriations. As shown in an attachment to this memo, the net amount transferred from the Fund by past Legislatures is \$4,425,000.

At the August 13, 2007 meeting, the Commission approved a proposal from the staff to request two transfers totaling \$5,200,000 in fiscal years 2010 and 2011. The Governor did not include this full amount in his 2008 budget bill, but rather included two transfers totaling \$4,425,000, which were ultimately approved by the Legislature.

Finalizing the Budget

To make these transfers part of the budget for the state for fiscal years 2010 and 2011, they would need to be included in the Legislature's final budget legislation for the biennium. The staff is preparing the Commission's budget for FY 2010 and 2011 for consideration by the state's Bureau of the Budget, and wishes to include the \$4,425,000 transfers.

Outlook for the 2010 Elections

The staff has included in the attached pages its preliminary projections for the cost of the Maine Clean Election Act program in the 2010 elections. The largest factor is the number of candidates in the 2010 general election for Governor who will qualify to receive public funding. Attempting to be conservative, the staff is presuming that four candidates for Governor in the 2010 general election will be publicly funded under the Maine Clean Election Act. If fewer than four candidates in the general election qualify, then the Fund will have sufficient funds for 2010.

Another factor is the amount of the initial payments that will be made to legislative candidates in the 2010 elections. Under current law, the amount of those payments is calculated based on the average amount spent by legislative candidates in the previous two elections. Since we do not know how much legislative candidates will spend this campaign year, we cannot make a final calculation of the amount of the 2010 initial payments.

The Commission staff believes that the calculation of the initial payments based on average spending by candidates has resulted in an artificial increase in the cost of the Maine Clean Election Act program. The staff intends to present you with a legislative proposal later this year that is intended to slow the growth in the overall cost of the program.

To provide you with a general picture of how the amount of the initial payments can affect the overall cost of the program, we have provided you with two scenarios concerning the cost of the legislative races. Scenario A uses 2010 initial payment amounts calculated based on presumed average candidate spending in 2006 and 2008. Scenario B uses 2010 initial payments that are roughly 10% higher than the initial payments made this year.

Thank you for your consideration of this report.

system, e-mail; lease-purchase authorization. Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services, Office of Information Technology may enter into financing arrangements on or after July 1, 2008 for the acquisition of a statewide enterprise system to facilitate e-mail archiving and related activities, including software, necessary hardware and peripherals and contractual services associated with the implementation and deployment of the system. The financing arrangements may not exceed \$3,000,000 in principal costs and 5 years in duration. The interest rate may not exceed 8%, and interest costs may not exceed \$700,000. The annual principal and interest costs must be paid from the appropriate line category in the Office of Information Services account.

PART J

Sec. J-1. Transfer from the Maine Asthma and Lung Disease Research Fund Other Special Revenue Funds; unexpended funds. Notwithstanding any other provision of law, the State Controller shall transfer \$14,648 in unexpended funds from the Maine Asthma and Lung Disease Research Fund Other Special Revenue Funds account within the Department of Administrative and Financial Services in fiscal year 2007-08 to General Fund unappropriated surplus.

PART K

Sec. K-1. Transfer; Department of Inland Fisheries and Wildlife carrying account; training reimbursement. On or before June 30, 2008, the State Controller shall transfer \$7,200 from the Department of Inland Fisheries and Wildlife carrying account to the Enforcement Operations program for training reimbursement.

Sec. K-2. Transfer; Department of Inland Fisheries and Wildlife carrying account; legal fees. On or before June 30, 2008, the State Controller shall transfer \$140,000 from the Department of Inland Fisheries and Wildlife carrying account to the Office of the Commissioner program for legal fees.

Sec. K-3. Transfer; Department of Inland Fisheries and Wildlife carrying account; management review reimbursements. On or before June 30, 2008, the State Controller shall transfer \$45,000 from the Department of Inland Fisheries and Wildlife carrying account to the Enforcement Operations program for management review reimbursements.

Sec. K-4. Transfer; Department of Inland Fisheries and Wildlife carrying account; retroactive pay to employees. On or before June 30, 2008, the State Controller shall transfer \$8,565 from the Department of Inland Fisheries and Wildlife carrying account to the Public Information and Education

program and \$211,165 to the Fisheries and Hatcheries Operations program for retroactive pay to employees.

Sec. K-5. Transfer; Department of Inland Fisheries and Wildlife carrying account; purchase of airplane engine. On or before September 1, 2008, the State Controller shall transfer \$30,000 from the Department of Inland Fisheries and Wildlife carrying account to the Enforcement Operations program for the purchase of one airplane engine.

Sec. K-6. Transfer; Department of Inland Fisheries and Wildlife carrying account; fisheries and hatcheries. On or before June 30, 2008, the State Controller shall transfer \$79,000 from the Department of Inland Fisheries and Wildlife carrying account to the Fisheries and Hatcheries Operations program to cover an unanticipated shortfall in the All Other line.

Sec. K-7. Transfer; Department of Inland Fisheries and Wildlife carrying account; enforcement operations. On or before June 30, 2008, the State Controller shall transfer \$270,000 from the Department of Inland Fisheries and Wildlife carrying account to the Enforcement Operations program to cover an unanticipated shortfall in the All Other line.

Sec. K-8. Publication of magazine; development of plan. The Department of Inland Fisheries and Wildlife shall maintain publication of "Maine Fish and Wildlife Magazine" and develop a plan for the magazine to be self-supporting.

PART L

Sec. L-1. Transfers to Maine Clean Election Fund. In addition to the transfers authorized pursuant to the Maine Revised Statutes, Title 21-A, section 1124, the State Controller shall transfer \$2,425,000 from General Fund undedicated revenue to the Maine Clean Election Fund on or before June 1, 2010 and shall transfer an additional \$2,000,000 from General Fund undedicated revenue to the Maine Clean Election Fund on or before August 1, 2010.

Sec. L-2. Reduction in payments under the Maine Clean Election Fund. Notwithstanding the procedures set forth in the Maine Revised Statutes, Title 21-A, section 1125, subsection 8, the Commission on Governmental Ethics and Election Practices shall reduce the initial payment amounts established for Maine Clean Election Act candidates in the 2008 and 2009 general election by 5%.

Sec. L-3. Transfer of funds from Maine Clean Election Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$135,199 on or before June 30, 2008 and \$135,717 on or before June 30, 2009 from the Maine Clean Election Fund to the unappropriated surplus of the General Fund.

Sec. I to read:

3. See State Tax Department Bureau of relations, refer all persons: State underings that rean shall the list of the State u persons w under this the winnir intention t The bureau to the Stat tax liability maining w bureau.

Sec. amended to read:

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History of Transfers from Maine Clean Election Fund

| Transfers from Maine Clean Election Fund Totaling \$8,025,000 | | |
|--|--|--------------------------------------|
| \$4.0 million to Maine Rainy Day Fund | P.L. 2001, Chapter 559, Part E-3 (May 2002) | Transferred on June 30, 2003 |
| \$2.5 million to General Fund | P.L. 2001, Chapter 714, Part N-1 (Nov. 2002) | Transferred on June 30, 2003 |
| \$225,000 to General Fund | P.L. 2003, Chapter 20, Part D-26 (June 2003) | Transferred on June 30, 2004 |
| Reduction of \$1.3 million in FY 09 revenue | P.L. 2007, Chapter 240, Part F (June 2007) | Reduction in January 1, 2009 revenue |
| Returns to Maine Clean Election Fund Totaling \$3,600,000 | | |
| \$2.4 million from General Fund | P.L. 2005, Chapter 3, Part P-1 (March 2005) | Returned on January 1, 2006 |
| \$1.2 million from General Fund | P.L. 2005, Chapter 519, Part KK (April 2006) | Returned on September 30, 2006 |

**Net Transfer from Maine Clean Election Fund =
\$4,425,000**

**Maine Clean Election Fund
Preliminary Projected Revenues and Expenditures for FY 10, 11
(8/25/08)**

Revenue for Fiscal Year 2010

| | SCENARIO A | SCENARIO B |
|---|--------------------|--------------------|
| Cash Balance from FY 2009 | \$2,951,775 | \$2,951,775 |
| Annual Transfer from General Fund (1/1/10) | \$2,000,000 | \$2,000,000 |
| Qualifying Contributions in 2010 (4/15/10 and 6/2/10) | \$160,500 | \$160,500 |
| Additional Transfer Requested (by 6/1/10) | \$2,425,000 | \$2,425,000 |
| Taxpayer Check-Off (6/30/10) | \$190,000 | \$190,000 |
| Interest | \$137,736 | \$137,945 |
| Penalties | \$4,000 | \$4,000 |
| Other Income | \$0 | \$0 |
| Total | \$7,869,011 | \$7,869,220 |

Expenditures for Fiscal Year 2010

| | | |
|--|--------------------|--------------------|
| Personnel | \$355,307 | \$355,307 |
| Other Administrative Costs | \$245,667 | \$245,667 |
| Legislative - Primary Election Initial Distributions | \$400,770 | \$369,986 |
| Legislative - Primary Election Matching Funds | \$41,018 | \$41,018 |
| Legislative - General Election Initial Distributions | \$2,877,080 | \$2,595,339 |
| Gubernatorial - Primary Election Initial Distributions | \$1,000,000 | \$1,000,000 |
| Gubernatorial - Primary Election Matching Funds | \$800,000 | \$800,000 |
| Gubernatorial - General Election Initial Distributions | \$2,400,000 | \$2,400,000 |
| Total | \$8,119,841 | \$7,807,316 |

Revenue for Fiscal Year 2011

| | | |
|---|--------------------|--------------------|
| Cash Balance from FY 2010 | \$250,830 | \$61,904 |
| Additional Transfer Requested (by 8/1/10) | \$2,000,000 | \$2,000,000 |
| Annual Transfer from General Fund (by 9/1/10) | \$2,000,000 | \$2,000,000 |
| Taxpayer Check-Off (6/30/11) | \$190,000 | \$190,000 |
| Interest | \$23,271 | \$39,732 |
| Penalties | \$4,000 | \$4,000 |
| Other Income | \$0 | \$0 |
| Total | \$3,966,441 | \$4,295,636 |

Expenditures for Fiscal Year 2011

| | | |
|---|--------------------|--------------------|
| Personnel | \$415,324 | \$415,324 |
| Other Administrative Costs | \$196,070 | \$196,070 |
| Legislative - General Election Matching Funds (NET - see notes) | \$1,168,605 | \$1,044,801 |
| Gubernatorial - General Election Matching Funds | \$2,400,000 | \$2,400,000 |
| Total | \$4,179,999 | \$4,056,195 |

Projected Balance on 11/2/10 General Election

Projected Balance on 6/30/11

| | | |
|--|-------------------|------------------|
| | -\$484,452 | \$878 |
| | -\$213,557 | \$239,442 |

**Projected Payments to Gubernatorial Candidates in 2010
(8/25/08)**

| | Primary Election Initial Payment | Primary Election Matching Funds | General Election Initial Payment | General Election Matching Funds | Total for Candidate |
|------------------------|---|--|---|--|--------------------------------|
| Democrat 1 (nominee) | \$200,000 | \$200,000 | \$500,000 | \$400,000 | \$1,600,000 |
| Democrat 2 | \$200,000 | \$200,000 | \$0 | \$0 | \$400,000 |
| Republican 1 (nominee) | \$200,000 | \$200,000 | \$500,000 | \$500,000 | \$1,600,000 |
| Republican 2 | \$200,000 | \$200,000 | \$0 | \$0 | \$400,000 |
| Green-Independent | \$200,000 | \$0 | \$500,000 | \$500,000 | \$1,400,000 |
| Independent | \$0 | \$0 | \$200,000 | \$200,000 | \$1,200,000 |
| Total | \$1,000,000 | \$800,000 | \$2,400,000 | \$2,400,000 | \$6,600,000 |

Presumptions:

- 1) Four candidates in general election will be publicly funded.
- 2) In Democratic and Republican primary elections, two candidates will be publicly funded.
- 3) Participants in the primary election will qualify for \$200,000 each, rather than the maximum of \$400,000

Note: the actual cost will be determined by which candidates choose to run for Governor in 2010 and which candidates will try to qualify for publicly funding. It is very difficult to accurately forecast these candidate decisions as of 8/25/08.

**Total Projected Payments
to 2008 and 2010 Legislative Candidates (8/25/08)**

| | <u>2008</u> | <u>2010 Scenario A</u> | <u>2010 Scenario B</u> |
|---|--------------------|----------------------------|----------------------------|
| Primary Election Initial Distributions | \$345,404 | \$400,770 | \$369,986 |
| Primary Election Matching Funds | \$20,509 | \$41,018 | \$41,018 |
| General Election Initial Distributions | \$2,127,642 | \$2,877,080 | \$2,595,339 |
| General Election Matching Funds (net returns) | \$1,031,464 | \$1,168,605 | \$1,044,801 |
| Total | \$3,525,019 | \$4,487,473 | \$4,051,144 |

**Projected Initial Payments to 2008 and 2010
Legislative Candidates (8/25/08)**

| | <i># of 2004 Participants in Category</i> | <i># of 2006 Participants in Category</i> | <i>Projected # for 2008</i> | <i>Projected Cost for 2008</i> | <i>Projected # for 2010</i> | <i>Projected Cost for 2010 Scenario A</i> | <i>Projected Cost for 2010 Scenario B</i> |
|---|---|---|---------------------------------|------------------------------------|---------------------------------|---|---|
| Initial Payments for Primary | | | | | | | |
| House - Contested Candidates | 41 | 32 | 31 | \$44,495 | 36 | \$42,444 | \$54,144 |
| House - Uncontested Candidates | 207 | 212 | 209 | \$104,788 | 220 | \$144,320 | \$112,640 |
| Total | 248 | 244 | 240 | \$149,283 | 256 | \$186,764 | \$166,784 |
| Senate - Contested Candidates | 18 | 9 | 14 | \$107,840 | 14 | \$90,454 | \$112,462 |
| Senate - Uncontested Candidates | 45 | 56 | 47 | \$88,281 | 52 | \$123,552 | \$90,740 |
| Total | 63 | 65 | 61 | \$196,121 | 66 | \$214,006 | \$203,202 |
| Total Initial Payments for Primary | | | | \$345,404 | | \$400,770 | \$369,986 |
| Initial Payments for General | | | | | | | |
| House - Contested - Democrats | 127 | 136 | 129 | \$534,576 | 137 | \$720,620 | \$625,953 |
| House - Contested - Republicans | 103 | 101 | 89 | \$368,816 | 103 | \$541,780 | \$470,607 |
| House - Contested - Greens | 15 | 5 | 7 | \$29,008 | 10 | \$52,600 | \$45,690 |
| House - Contested - Unenrolleds | 5 | 3 | 7 | \$29,008 | 5 | \$26,300 | \$22,845 |
| House - Uncontested | 0 | 3 | 13 | \$21,554 | 0 | \$0 | \$0 |
| Total | 250 | 248 | 245 | \$982,962 | 255 | \$1,341,300 | \$1,165,095 |
| Senate - Contested - Democrats | 28 | 32 | 29 | \$553,262 | 32 | \$722,720 | \$673,056 |
| Senate - Contested - Republicans | 26 | 31 | 28 | \$534,184 | 30 | \$677,550 | \$630,990 |
| Senate - Contested - Greens | 1 | 2 | 2 | \$38,156 | 3 | \$67,755 | \$63,099 |
| Senate - Contested - Unenrolleds | 2 | 2 | 1 | \$19,078 | 3 | \$67,755 | \$63,099 |
| Senate - Uncontested | 1 | 0 | 0 | \$0 | 0 | \$0 | \$0 |
| Total | 58 | 67 | 60 | \$1,144,680 | 68 | \$1,535,780 | \$1,430,244 |
| Total Initial Payments for General | | | | \$2,127,642 | | \$2,877,080 | \$2,595,339 |

| | 2006 Initial Payment | 2006 Average Expenditures | 2008 Actual Initial Payment Amounts (reduced for GE from 2006 by 5%) | SCENARIO A Presumed 2010 Initial Payment Amounts (same as 2006 average expenditures) | SCENARIO B Presumed 2010 Initial Payment Amounts |
|--------------------------|----------------------|---------------------------|---|--|---|
| Primary elections | | | | | |
| Rep - contested | \$1,504 | \$1,179 | \$1,504.00 | \$1,179 | \$1,504 |
| Rep - uncontested | \$512 | \$656 | \$512.00 | \$565 | \$512 |
| Sen - contested | \$7,746 | \$6,461 | \$7,746.00 | \$6,461 | \$8,033 |
| Sen - uncontested | \$1,927 | \$2,376 | \$1,927.00 | \$1,376 | \$1,745 |
| General elections | | | | | |
| Rep - contested | \$4,362 | \$5,260 | \$4,144.00 | \$5,260 | \$4,569 |
| Rep - uncontested | \$1,745 | \$2,104 | \$1,658.00 | \$2,104 | \$1,828 |
| Sen - contested | \$20,082 | \$22,585 | \$19,078.00 | \$22,585 | \$21,033 |
| Sen - uncontested | \$8,033 | \$9,034 | \$7,631.00 | \$9,034 | \$8,413 |

**Table E
Projected Matching Funds for 2010 Legislative Candidates (8-25-08)**

| SCENARIO A | | | | | |
|--------------------------|--|--|--------------------------|--------------------------------------|---|
| | Projected # of Candidates Receiving Matching Funds | Amount of Matching Funds Paid Each Candidate | Total Projected Payments | Projected Amount Authorized to Spend | Projected Unauthorized Funds to be Returned |
| House Candidates | 115 | \$5,260 | \$604,900 | | |
| | 25 | \$10,520 | \$263,000 | | |
| | | | \$867,900 | \$694,320 | \$173,580 |
| Senate Candidates | 25 | \$22,585 | \$564,625 | | |
| | 5 | \$45,170 | \$225,850 | | |
| | | | \$790,475 | \$474,285 | \$316,190 |
| Legislative total | | | \$1,658,375 | \$1,168,605 | \$489,770 |

| SCENARIO B | | | | | |
|--------------------------|--|--|--------------------------|--------------------------------------|---|
| | Projected # of Candidates Receiving Matching Funds | Amount of Matching Funds Paid Each Candidate | Total Projected Payments | Projected Amount Authorized to Spend | Projected Unauthorized Funds to be Returned |
| House Candidates | 115 | \$4,569 | \$525,435 | | |
| | 25 | \$9,138 | \$228,450 | | |
| | | | \$753,885 | \$603,108 | \$150,777 |
| Senate Candidates | 25 | \$21,033 | \$525,825 | | |
| | 5 | \$42,066 | \$210,330 | | |
| | | | \$736,155 | \$441,693 | \$294,462 |
| Legislative total | | | \$1,490,040 | \$1,044,801 | \$445,239 |

NOTES

| | | Scenario A | Scenario B |
|---|-------------------------------------|--------------------|--------------------|
| April 2010 MCEA Payments | Leg - Primary Initial Distributions | \$400,770 | \$369,986 |
| | Leg - Primary Matching Funds | \$41,018 | \$41,018 |
| | Gov - Primary Initial Distributions | \$1,000,000 | \$1,000,000 |
| | Gov - Primary Matching Funds | \$800,000 | \$800,000 |
| | Total for April | \$2,241,788 | \$2,211,004 |
| June 2010 MCEA Payments | Leg - General Initial Distributions | \$2,877,080 | \$2,595,339 |
| | Gov - General Initial Distributions | \$2,400,000 | \$2,400,000 |
| | Total for June | \$5,277,080 | \$4,995,339 |
| Oct 2010 MCEA Payments | Leg - General Matching Funds | \$1,658,375 | \$1,490,040 |
| | Gov - General Matching Funds | \$2,400,000 | \$2,400,000 |
| | Total for Oct | \$4,058,375 | \$3,890,040 |
| Nov 2010 Returned Legislative Matching Funds | | \$489,770 | \$445,239 |

| | | Projected Amount Authorized to Spend | Projected Unauthorized Funds to be Returned |
|------|--------------------------|--------------------------------------|---|
| 2008 | Total Projected Payments | \$1,031,464 | \$1,547,196 |
| | | \$2,578,660 | |

Staff proposes to advance 50% of the maximum matching funds in 2010 to legislative candidates except those in the most competitive districts.

| | General Fund Transfers | Scenario A | | Scenario B | |
|----------------------|------------------------|------------------------|---|------------------------|---|
| | | Payments to Candidates | Cash Balance at End of Month Scenario A | Payments to Candidates | Cash Balance at End of Month Scenario B |
| FY 2010 | | | \$2,951,775 | | \$2,951,775 |
| Jul 09 | | | \$2,888,620 | | \$2,888,620 |
| Aug 09 | | | \$2,829,195 | | \$2,829,195 |
| Sep 09 | | | \$2,794,566 | | \$2,794,566 |
| Oct 09 | | | \$2,755,886 | | \$2,755,886 |
| Nov 09 | | | \$2,721,004 | | \$2,721,004 |
| Dec 09 | | | \$2,685,700 | | \$2,685,700 |
| Jan 10 | \$2,000,000 | | \$4,646,956 | | \$4,646,956 |
| Feb 10 | | | \$4,618,588 | | \$4,618,588 |
| Mar 10 | | | \$4,588,583 | | \$4,588,583 |
| Apr 10 | | \$2,241,788 | \$2,458,855 | \$2,211,004 | \$2,489,639 |
| May 10 | \$2,425,000 | | \$4,847,677 | | \$4,878,564 |
| Jun 10 | | \$5,277,080 | -\$250,830 | \$4,995,339 | \$61,904 |
| FY2010 Total | \$4,425,000 | \$7,518,868 | | \$7,206,343 | |
| FY 2011 | | | -\$250,830 | | \$61,904 |
| Jul 10 | \$2,000,000 | | \$1,695,305 | | \$2,009,081 |
| Aug 10 | \$2,000,000 | | \$3,651,734 | | \$3,966,592 |
| Sep 10 | | | \$3,614,903 | | \$3,930,845 |
| Oct 10 | | \$4,058,375 | -\$484,452 | \$3,890,040 | \$878 |
| Nov 10 | | -\$489,770 | -\$45,760 | -\$445,239 | \$396,711 |
| Dec 10 | | | -\$95,322 | | \$348,624 |
| Jan 11 | | | -\$148,680 | | \$296,795 |
| Feb 11 | | | -\$198,601 | | \$248,408 |
| Mar 11 | | | -\$248,628 | | \$199,771 |
| Apr 11 | | | -\$302,514 | | \$147,430 |
| May 11 | | | -\$352,932 | | \$98,512 |
| Jun 11 | | | -\$213,557 | | \$239,442 |
| FY 2011 Total | \$4,000,000 | \$3,568,605 | | \$3,444,801 | |

Appendix E

| Month | Monthly Receipts | Cumulative Total Receipts | Monthly Expenditures | Cumulative Total Expenditures |
|-------|------------------|---------------------------|----------------------|-------------------------------|
|-------|------------------|---------------------------|----------------------|-------------------------------|

John E. Baldacci's 2002 Campaign

| | | | | |
|----------------|--------------|----------------|--------------|----------------|
| December 2000 | \$3,325.00 | \$3,325.00 | \$0.00 | \$0.00 |
| January 2001 | \$0.00 | \$3,325.00 | \$0.00 | \$0.00 |
| February 2001 | \$0.00 | \$3,325.00 | \$0.00 | \$0.00 |
| March 2001 | \$0.00 | \$3,325.00 | \$0.00 | \$0.00 |
| April 2001 | \$11,650.00 | \$14,975.00 | \$62.85 | \$62.85 |
| May 2001 | \$23,950.00 | \$38,925.00 | \$6,830.60 | \$6,893.45 |
| June 2001 | \$121,500.00 | \$160,425.00 | \$12,359.26 | \$19,252.71 |
| July 2001 | \$31,783.97 | \$192,208.97 | \$13,747.07 | \$32,999.78 |
| August 2001 | \$17,150.00 | \$209,358.97 | \$16,370.08 | \$49,369.86 |
| September 2001 | \$15,345.00 | \$224,703.97 | \$24,509.19 | \$73,879.05 |
| October 2001 | \$87,735.00 | \$312,438.97 | \$26,476.61 | \$100,355.66 |
| November 2001 | \$62,615.00 | \$375,053.97 | \$25,020.84 | \$125,376.50 |
| December 2001 | \$114,630.00 | \$489,683.97 | \$10,530.74 | \$135,907.24 |
| January 2002 | \$22,792.42 | \$512,476.39 | \$72,072.01 | \$207,979.25 |
| February 2002 | \$20,950.00 | \$533,426.39 | \$22,889.91 | \$230,869.16 |
| March 2002 | \$56,410.00 | \$589,836.39 | \$26,597.12 | \$257,466.28 |
| April 2002 | \$36,939.19 | \$626,775.58 | \$42,564.80 | \$300,031.08 |
| May 2002 | \$84,507.96 | \$711,283.54 | \$370,879.42 | \$670,910.50 |
| June 2002 | \$141,285.00 | \$852,568.54 | \$106,365.01 | \$777,275.51 |
| July 2002 | \$73,184.00 | \$925,752.54 | \$45,057.63 | \$822,333.14 |
| August 2002 | \$107,414.21 | \$1,033,166.75 | \$73,790.00 | \$896,123.14 |
| September 2002 | \$121,066.00 | \$1,154,232.75 | \$210,564.63 | \$1,106,687.77 |
| October 2002 | \$319,153.00 | \$1,473,385.75 | \$326,346.90 | \$1,433,034.67 |
| November 2002 | \$87,274.99 | \$1,560,660.74 | \$125,091.48 | \$1,558,126.15 |
| December 2002 | \$27,425.00 | \$1,588,085.74 | \$31,962.96 | \$1,590,089.11 |
| January 2003 | \$9,309.42 | \$1,597,395.16 | \$5,592.83 | \$1,595,681.94 |
| February 2003 | \$0.00 | \$1,597,395.16 | \$1,481.98 | \$1,597,163.92 |
| March 2003 | \$0.00 | \$1,597,395.16 | -\$5,674.94 | \$1,591,488.98 |
| April 2003 | \$0.00 | \$1,597,395.16 | \$35.00 | \$1,591,523.98 |
| May 2003 | \$0.00 | \$1,597,395.16 | -\$2,966.12 | \$1,588,557.86 |
| June 2003 | \$0.00 | \$1,597,395.16 | \$11,474.48 | \$1,600,032.34 |

| Month | Monthly Receipts | Cumulative Total Receipts | Monthly Expenditures | Cumulative Total Expenditures |
|-------|------------------|---------------------------|----------------------|-------------------------------|
|-------|------------------|---------------------------|----------------------|-------------------------------|

Peter E. Cianchette's 2002 Campaign

| | | | | |
|----------------|--------------|----------------|--------------|----------------|
| December 2000 | \$225.00 | \$225.00 | \$0.00 | \$0.00 |
| January 2001 | \$0.00 | \$225.00 | \$0.00 | \$0.00 |
| February 2001 | \$0.00 | \$225.00 | \$0.00 | \$0.00 |
| March 2001 | \$0.00 | \$225.00 | \$0.00 | \$0.00 |
| April 2001 | \$0.00 | \$225.00 | \$0.00 | \$0.00 |
| May 2001 | \$1,500.00 | \$1,725.00 | \$40.00 | \$40.00 |
| June 2001 | \$50,625.00 | \$52,350.00 | \$1,788.28 | \$1,828.28 |
| July 2001 | \$10,075.00 | \$62,425.00 | \$18,352.80 | \$20,181.08 |
| August 2001 | \$4,250.00 | \$66,675.00 | \$19,460.69 | \$39,641.77 |
| September 2001 | \$19,025.00 | \$85,700.00 | \$14,768.06 | \$54,409.83 |
| October 2001 | \$28,300.00 | \$114,000.00 | \$18,907.61 | \$73,317.44 |
| November 2001 | \$38,980.00 | \$152,980.00 | \$16,638.35 | \$89,955.79 |
| December 2001 | \$89,600.00 | \$242,580.00 | \$16,778.29 | \$106,734.08 |
| January 2002 | \$11,850.00 | \$254,430.00 | \$19,581.53 | \$126,315.61 |
| February 2002 | \$23,945.00 | \$278,375.00 | \$22,771.58 | \$149,087.19 |
| March 2002 | \$33,025.00 | \$311,400.00 | \$97,356.36 | \$246,443.55 |
| April 2002 | \$50,775.00 | \$362,175.00 | \$63,704.05 | \$310,147.60 |
| May 2002 | \$89,985.00 | \$452,160.00 | \$124,689.11 | \$434,836.71 |
| June 2002 | \$112,285.00 | \$564,445.00 | \$98,259.43 | \$533,096.14 |
| July 2002 | \$121,424.24 | \$685,869.24 | \$34,875.28 | \$567,971.42 |
| August 2002 | \$104,650.00 | \$790,519.24 | \$118,807.20 | \$686,778.62 |
| September 2002 | \$174,538.00 | \$965,057.24 | \$238,491.06 | \$925,269.68 |
| October 2002 | \$289,418.50 | \$1,254,475.74 | \$279,736.62 | \$1,205,006.30 |
| November 2002 | \$26,340.00 | \$1,280,815.74 | \$25,193.37 | \$1,230,199.67 |
| December 2002 | \$635.00 | \$1,281,450.74 | \$26,807.33 | \$1,257,007.00 |
| January 2003 | \$0.00 | \$1,281,450.74 | \$4,701.93 | \$1,261,708.93 |
| February 2003 | \$3,625.00 | \$1,285,075.74 | \$514.95 | \$1,262,223.88 |
| March 2003 | \$3,275.00 | \$1,288,350.74 | \$4,692.73 | \$1,266,916.61 |
| April 2003 | \$450.00 | \$1,288,800.74 | \$2,885.21 | \$1,269,801.82 |
| May 2003 | \$350.00 | \$1,289,150.74 | \$3,107.45 | \$1,272,909.27 |
| June 2003 | \$0.00 | \$1,289,150.74 | \$60.70 | \$1,272,969.97 |
| July 2003 | \$6,815.00 | \$1,295,965.74 | \$275.75 | \$1,273,245.72 |
| August 2003 | \$1,300.00 | \$1,297,265.74 | \$150.75 | \$1,273,396.47 |
| September 2003 | \$250.00 | \$1,297,515.74 | \$40.00 | \$1,273,436.47 |
| October 2003 | \$0.00 | \$1,297,515.74 | \$68.35 | \$1,273,504.82 |
| November 2003 | \$0.00 | \$1,297,515.74 | \$85.00 | \$1,273,589.82 |
| December 2003 | \$0.00 | \$1,297,515.74 | \$0.00 | \$1,273,589.82 |
| January 2004 | \$0.00 | \$1,297,515.74 | \$0.00 | \$1,273,589.82 |
| February 2004 | \$0.00 | \$1,297,515.74 | \$0.00 | \$1,273,589.82 |
| March 2004 | \$0.00 | \$1,297,515.74 | \$7,268.20 | \$1,280,858.02 |
| April 2004 | \$0.00 | \$1,297,515.74 | \$0.00 | \$1,280,858.02 |
| May 2004 | \$0.00 | \$1,297,515.74 | \$0.00 | \$1,280,858.02 |
| June 2004 | \$0.00 | \$1,297,515.74 | \$16,657.72 | \$1,297,515.74 |

| Month | Monthly Receipts | Cumulative Total Receipts | Monthly Expenditures | Cumulative Total Expenditures |
|-------|------------------|---------------------------|----------------------|-------------------------------|
|-------|------------------|---------------------------|----------------------|-------------------------------|

John E. Baldacci's 2006 Campaign

| | | | | |
|----------------|--------------|----------------|--------------|----------------|
| October 2005 | \$29,850.00 | \$29,850.00 | \$8,071.18 | \$8,071.18 |
| November 2005 | \$60,251.00 | \$90,101.00 | \$25,113.28 | \$33,184.46 |
| December 2005 | \$109,465.00 | \$199,566.00 | \$23,768.76 | \$56,953.22 |
| January 2006 | \$20,935.00 | \$220,501.00 | \$38,364.81 | \$95,318.03 |
| February 2006 | \$1,000.00 | \$221,501.00 | \$27,930.00 | \$123,248.03 |
| March 2006 | \$24,400.00 | \$245,901.00 | \$49,202.18 | \$172,450.21 |
| April 2006 | \$138,426.00 | \$384,327.00 | \$89,463.11 | \$261,913.32 |
| May 2006 | \$168,213.87 | \$552,540.87 | \$262,490.42 | \$524,403.74 |
| June 2006 | \$117,711.00 | \$670,251.87 | \$156,304.54 | \$680,708.28 |
| July 2006 | \$101,787.62 | \$772,039.49 | \$66,632.00 | \$747,340.28 |
| August 2006 | \$145,710.08 | \$917,749.57 | \$95,938.54 | \$843,278.82 |
| September 2006 | \$135,005.00 | \$1,052,754.57 | \$183,183.73 | \$1,026,462.55 |
| October 2006 | \$226,119.12 | \$1,278,873.69 | \$218,700.17 | \$1,245,162.72 |
| November 2006 | \$26,630.00 | \$1,305,503.69 | \$57,489.80 | \$1,302,652.52 |
| December 2006 | \$4,769.00 | \$1,310,272.69 | \$4,613.95 | \$1,307,266.47 |
| January 2007 | \$0.00 | \$1,310,272.69 | \$2,951.14 | \$1,310,217.61 |
| February 2007 | \$315.00 | \$1,310,587.69 | \$4.54 | \$1,310,222.15 |
| March 2007 | \$0.00 | \$1,310,587.69 | \$10.51 | \$1,310,232.66 |
| April 2007 | \$0.00 | \$1,310,587.69 | \$9.94 | \$1,310,242.60 |
| May 2007 | \$0.00 | \$1,310,587.69 | \$10.18 | \$1,310,252.78 |
| June 2007 | \$200.00 | \$1,310,787.69 | \$204.84 | \$1,310,457.62 |
| July 2007 | \$0.00 | \$1,310,787.69 | \$10.16 | \$1,310,467.78 |
| August 2007 | \$0.00 | \$1,310,787.69 | \$9.87 | \$1,310,477.65 |
| September 2007 | \$600.00 | \$1,311,387.69 | \$9.89 | \$1,310,487.54 |
| October 2007 | \$300.00 | \$1,311,687.69 | \$1,160.45 | \$1,311,647.99 |
| November 2007 | \$0.00 | \$1,311,687.69 | \$9.57 | \$1,311,657.56 |
| December 2007 | \$100.00 | \$1,311,787.69 | \$9.97 | \$1,311,667.53 |
| January 2008 | \$0.00 | \$1,311,787.69 | \$10.22 | \$1,311,677.75 |
| February 2008 | \$100.00 | \$1,311,887.69 | \$9.88 | \$1,311,687.63 |
| March 2008 | \$100.00 | \$1,311,987.69 | \$260.02 | \$1,311,947.65 |
| April 2008 | \$0.00 | \$1,311,987.69 | \$10.16 | \$1,311,957.81 |
| May 2008 | \$0.00 | \$1,311,987.69 | \$9.97 | \$1,311,967.78 |
| June 2008 | \$0.00 | \$1,311,987.69 | \$9.99 | \$1,311,977.77 |