

MEMORANDUM

October 21, 2019

TO: Government Operations and Fiscal Policy Committee
FROM: Amanda Mihill, Legislative Attorney *A. Mihill*
SUBJECT: Public Election Fund
PURPOSE: Discussion – no vote expected

Those expected to attend today's discussion include:

- Jared DeMarinis, State Board of Elections
- David Crow, County Department of Finance

Background

On September 30, 2014, the Council enacted, and the Executive later signed, Bill 16-14, Elections – Public Campaign Financing. Bill 16-14 established a Public Election Fund to provide public campaign financing for a candidate for a County elective office. Two additional amendments to the law have been enacted. The Public campaign finance law is attached at ©1-10.

Program operation A candidate for County Executive, Council At-Large, or Council District can use the public financing program. A participating candidate can only accept contributions from individuals of between \$5 and \$150; only contributions from County residents are eligible for matching funds. To participate, candidates must meet the following thresholds:

	Minimum number of individual contributions	Minimum dollar threshold
County Executive	500	\$40,000
Council At-Large	250	\$20,000
Council District	125	\$10,000

For candidates that meet these thresholds, the following amounts are matching *in a contested election* (a candidate in an uncontested election does not receive any matching funds):

- County Executive candidates - \$6 for each dollar of the first \$50 of a qualifying contribution received from a County resident, \$4 for each dollar for the second \$50 and \$2 for each remaining dollar received up to the maximum contribution (\$750,000 per election).
- County Council candidates - \$4 for each dollar of the first \$50 received from a County resident, \$3 for each dollar for the second \$50 and \$2 for each remaining dollar received up to the maximum contribution (\$250,000 per election for at-large candidates and \$125,000 per election for district candidates).

Candidates must return any unspent public campaign funds after withdrawing as a candidate, losing in a primary election, or at the conclusion of the general election.

Inaugural election cycle The program was first used in the 2018 election cycle. Some important facts regarding the inaugural election cycle:

- 68 candidates ran for either County Executive or County Council. Of the 38 candidates that filed an intent to use public financing program for one of these offices, 23 candidates ultimately obtained public financing.
- Two-thirds of Councilmembers that won an elected office in 2018 chose public financing, as did the County Executive.
- The County ultimately spent approximately \$5.2 million during the 2018 elections on public financing (\$4.1 million during the primary election and \$1.1 million during the general election).
- During the primary election, 1 County Executive candidate, 2 Council At-Large candidates, and 2 Council District candidates obtained the maximum allowable in matching funds; during the general election, 1 County Executive candidate obtained the maximum allowable in matching funds.
- As the press release on ©11-12 indicates, the County earned an achievement award from the National Association of Counties (NACo).

Maryland PIRG Report The Maryland Public Interest Research Group (PIRG) issued a report in September 2019 (©13-27) that analyzed fundraising data from the 2018 elections. This report concluded that:

- Small donors accounted for a significantly larger portion of the fundraising for candidates that participated in the program. The report found that for participants, 98% of money raised was in small contributions whereas for non-participants, only 3% of money raised was in small contributions.
- The average donation was smaller for qualifying candidates. The report found that for participating candidates, the average contribution was \$86 whereas for non-participating candidates, the average contribution was \$1,145.
- Individual donors participated at a higher rate when candidates participated in the program.
- Candidates running for County Council seats were able to use the small donor system to run competitive races. The report concluded that if matching funds were included in the calculation, the average contribution for qualifying candidates was \$306 compared to \$292 for non-qualifying candidates.

Hearing

The Council held a public forum on the program on March 26 at which 11 speakers testified (see written testimony at ©28-47). Most speakers supported the Program generally and provided specific recommendations. A sampling of recommendations appear below:

- Allow an unaffiliated candidate or a candidate who runs unopposed in a primary to apply for certification at a later date (under current law, a candidate must apply for certification no later than 45 days before the primary election).
- Change single certification (one bite at the apple) rule.
- Audit the program.
- Allow only contributions from registered voters to count for matching funds.
- Clarify whether in kind contributions could toward the threshold amount required to qualify for public financing.
- Increase the maximum individual contribution limit/lower qualifying threshold/change matching funds.
- Increase in-kind donation limits/allow ticket fees as an in-kind donation.
- Informal slates should not be allowable.
- Committee conversation – or allow contributions up to the traditional funding limit without penalty.
- Simplify the reporting system.

In addition to the hearing testimony, Common Cause Maryland submitted recommendations (©48-49) to:

- expand the responsibilities of the Committee to Recommend Funding to the Public Election Fund to include public education and engagement;
- increasing the number of seats on the Committee or ensure the Committee reflects the diversity of the County;
- allocate funds needed in the next budget cycle to implement House Bill 830, which mandates that jurisdictions that establish public campaign financing programs provide the necessary funding to staff the program; and
- support the PEF Committee's recommendation that \$7.2 million be provided for the 2022 election cycle.

Survey

Council President Navarro sent a survey to participants in the program, non-participants in the program, and community group seeking input as to their experiences during the inaugural cycle.

Participants

The survey the Council President sent to each campaign that participated in the program asked the following questions (see ©50-52):

1. Why did you choose to participate in the program (with multiple choice responses)?

2. Would you participate in the program in the future?
3. What problems, if any, did your campaign experience with the program (with multiple choice responses)?
4. Did the availability of the program influence your decision to run for office?
5. Was the availability of the program a positive or negative influence?
6. What changes do you feel would improve the process for the next election (with multiple choice responses)?

The Council received responses from 11 campaigns. A summary follows; the entirety of responses is on ©53-64.

Question: Why did you choose to participate in the PEF Program?

Statement	Number of candidates agreeing with statement
Places a greater emphasis on small donors in the election process	10
Discourages special interest financing of elections	7
It is a step toward good government	8
Provides greater funding for campaigns	7
Other	3

Three candidates indicated other reasons they choose to participate in the PEF program:

- It was the most viable and accessible way for a low-income person to raise enough funds for a county-wide campaign.
- It was an opportunity to tap into networks and communities that might not have any interest in donating or had reservations about donating.
- Lacked network of large donors.

Question: What problems, if any, did your campaign experience with the PEF Program?

Statement	Number of candidates agreeing with statement
Computing matching amounts	5
Tallying small donations from the same individual	3
Burdensome standard of proof of residency	55
Administratively burdensome to upload individual donor forms/receipts and link the documents in the transaction	8
State online program was not user friendly	6
State staff were unavailable to timely answer inquiries	4
No problems	1
Other	5

Five candidates indicated other problems that they faced:

- State staff were sometimes unavailable, though they were trying hard to respond.
- The program was not written to be user friendly.
- Matching donors with pdfs could have been much easier if the pdfs were listed last in first.
- The program didn't account for addendums properly.
- State staff incorrectly calculated matching funds, resulting in the campaign needing to correct the total matching amount requests. This was due to a flaw in the online system.
- The applicability of in-kind donations to reaching the \$20,000 threshold was not documented in the summary guide.

Question: What changes do you feel would improve the process for the next election?

Statement	Number of candidates agreeing with statement
Lower threshold to qualify for matching funds	0
Increase the public matching amount	3
Increase the maximum donation amount	2
Allow participants the ability to correct their initial qualifying report	7
Provide participants a second opportunity during the cycle to qualify for public funding (i.e., reconsider the "one bite at the apple" rule)	5
Allow donors who gave the maximum in the primary to donate up to the maximum allowable in the general	7
Do not require publicly funded candidate to "shut down" their public campaign account or return unused funds	1
Additional training on the state software	2
Candidates in uncontested races should be eligible for some matching funds	3
Other changes	2

Two candidates indicated “other changes”, but only 1 provided a written explanation: extend the time needed for candidates to close their public campaign account. It was not enough time to pay bills and meet the deadline.

Other survey insights

- 6 candidates stated that the availability of the program influenced their decision to run for office; 5 candidates stated that the program did not influence their decision to run.
- 10 candidates stated that they would participate in the program in the future; 1 candidate would not.

Other thoughts from participants

The questionnaire had a space allowing for other thoughts about the program. Candidates that had a response for this question and indicated a specific program change stated:

- The County should provide software to compute matching funds while accounting for a donor’s previous donation.
- Donations from a candidate and candidate’s spouse should be matchable.
- Do not lower the threshold to qualify.
- The public matching amount could be increased for Council at-large because it is a county-wide race (like the Executive race) and is expensive.
- Do more to inform County residents about the program and encourage them to participate.

Non-participants

The survey the Council President sent to each campaign that did not participate in the program asked the following questions (see ©65-66):

1. Why did you choose not to participate in the PEF Program?
2. Did the availability of the PEF Program influence your decision to run for office?
3. Was it a positive or negative influence?
4. What changes to the Program would make it more likely for you to participate in the PEF Program in the future?

The Council heard from one non-participant who indicated that they did not participate in the program because they did not think they could reach the \$20,000 minimum in donations. This candidate recommended that the minimum threshold be much lower than \$20,000 in donations.

Policy groups

The survey the Council President sent to various policy groups asked the following questions (see ©67-69):

- What worked well during this past election cycle as it relates to the PEF Program?
- What did not work well during this past election cycle as it relates to the PEF Program?
- Do you recommend any changes to the law to improve the PEF Program? What changes do you recommend?

- Do you recommend any non-law changes (staffing, software, funding) to improve the PEF Program? What changes do you recommend?

The Council received 28 responses to this survey. A sampling of responses follows; the entirety of responses is on ©70-75.

Question: What worked well during this past election cycle as it relates to the PEF Program?

- Many candidates raised more money than in previous election cycles without bowing to special interests.
- More candidates that normally would not run for office because of funding ran because of the Program.
- Brought more people, with diverse ideas, into politics.
- Appealing and comforting to choose from candidates who declined to seek big dollar backers.
- More diverse group of candidates.

Question: What did not work well during this past election cycle as it relates to the Program?

- It is better if all candidates use it.
- Playing field not level because wealthy candidates who opted out of the program could spend as much as they wanted, while those who opted in were hobbled by restrictions.
- Too many candidates.
- Unfair delays in funding.
- Program could have been more aggressively advertised and/or promoted.
- Candidates who won the primary were hurt that they did not get new money for the general election.

Question: Do you recommend changes to the law? What changes?

- The individual contribution limit should reset if a candidate is victorious in the primary.
- Make it more self-explanatory.
- To get wider participation, it should be included as an item on the property tax form.
- Brand candidates who are using the program. Make it more visible who is running a fair campaign.

Question: Do you recommend any non-law changes? What changes?

- Put together a “mistakes made” guide.
- A website that serves as a dashboard for all candidates and lists whether campaign contributions were following public finance, whether large donations disqualified them, or whether they failed to meet the participation threshold.
- Funding and more marketing to explain the program.

Issues for Discussion

Now that the program has been in effect for an entire election cycle, the Council may want to consider some amendments and give guidance to Council staff about whether the Committee supports changes to the program. Based on the Committee’s guidance, Council staff would draft

amendments for further review. Issues that the Committee may want to discuss are listed below. This is not an exhaustive list of issues raised at the hearing and Councilmembers may have their own potential amendments to raise.

Allow participants the ability to correct their initial qualifying report
Provide participants a second opportunity during the cycle to qualify for public funding (i.e., reconsider the “one bite at the apple” rule)

1. Reconsider the “one bite at the apple” rule? County Code §16-22(c) provides that a potential candidate may only submit 1 application for certification to participate in the Program for an election and that a candidate can correct any *mistake* in the application for certification within either 10 business days or the end of the qualifying period (45 days before the primary).

This issue was discussed at length during the Council’s public forum. It was also raised by several participants during the survey process, with 5 campaigns responding that participants should receive a second opportunity to qualify for public funding and 7 campaigns responding that participants should be afforded the ability to correct their initial qualifying report.

2. When is reimbursement cut off deadline? County Code §16-23 specifies that a certified candidate can continue collecting contributions and receive a matching contribution “up to” a primary or general election.

This language is a bit ambiguous in practice because County regulations allow candidates to submit for matching fund requests each first and third Tuesday. This language could be clarified by expanding the reimbursement deadline to 30 days after the election and make clear that contributions that are submitted up to, and including, election day are matchable.

3. Should a person be able to contribute the maximum during both the primary and general? County Code §§16-23 and 16-26 make clear that an individual must not contribute more than \$150 in the aggregate during a 4-year election cycle. Seven campaigns that responded to the survey indicated that donors who gave the maximum in the primary election should be allowed to donate up to the maximum allowable (\$150) in the general election.

4. Should the law be clarified regarding the treatment of in-kind contributions? County Code §16-23 specifies that the Director cannot distribute matching dollars for an in-kind contribution of property, goods, or services. There was confusion, however, as to whether in-kind contributions counted toward the initial qualifying contribution requirements. County law could be clarified in this respect.

5. When should a participant be required to close their public funding account? County Code §16-23(f) requires a participating candidate to return unspent money on the candidate's publicly funded campaign account to the Public Election Fund within 30 days of the primary (if the candidate was not a primary winner) or the general election.

Council staff has heard that this deadline can be burdensome and that publicly financed candidates continue to have ongoing expenses after the close of the election. There are 3 options related to this question:

- keep current law (require candidates to close accounts within 30 days after the election)
- require candidates to close accounts, but increase the deadline to 90 days (ongoing expense would be required to be paid from a non-publicly funded account)
- do not require candidates to close account and keep a de minimis amount of funds in the account for ongoing expense

6. When does the election end? Although the answer to this question may seem obvious, there were questions during this past election cycle regarding whether funds could be used in a recount. County law could be clarified so that it is clear when an election ends and whether public funds are available for use in a recount situation.

7. Should there be a more severe penalty for campaigns that intentionally undermine the Program's requirements and intent? County Code §16-28 specifies that a violation of the public campaign financing program is a Class A violation. A Class A criminal violation is \$1,000 maximum fine and maximum of 6 months in jail; a Class A civil violation is \$500 for an initial offense and \$750 for a repeat offense. Should there be a more severe penalty for campaigns that intentionally undermine the Program's intent, such as termination from the Program if the Director finds that the campaign willfully violated the program's requirements?

8. Should there be a requirement for an end-of-election audit? There is currently no audit requirement in County law. Should there be?

9. Should the law address what happens to a campaign that fails to qualify for the program? During the inaugural election cycle, several candidates filed an intent to participate in the Program, but did not qualify. It is assumed that in this situation, the candidate is not prohibited from running, but the effect of not qualifying "converts" their campaign into a traditional campaign (i.e., not constrained by the Program's requirements). County law could clarify this situation.

10. What should the duties be for the Committee to Recommend Funding for the Public Election Fund? County Code §16-27 establishes a Committee for the sole purpose of estimating the funds necessary to implement the public campaign finance system and recommending an annual appropriation to the Public Election Fund. Common Cause Maryland provided 2 recommendations related to this Committee:

- expand the responsibilities of the Committee to include public education and engagement; and
- because of concerns with the diversity of the Committee, increase the number of Committee members (which would require legislation) or ensure the Committee reflects the diversity of the County (which does not require legislation).

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ARTICLE IV. PUBLIC CAMPAIGN FINANCING.

Sec. 16-18. Definitions.

In this Article, the following terms have the meanings indicated:

Applicant candidate means a person who is running for a covered office and who is seeking to be a certified candidate in a primary or general election.

Board means the Maryland State Board of Elections.

Campaign finance entity means a political committee established under Title 13 of the State Election Law, as amended.

Certified candidate means a candidate running for a covered office who is certified as eligible for public campaign financing from the Fund.

Committee to Recommend Funding for the Public Election Fund means the Committee established in Section 16-27.

Consumer Price Index means the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Arlington-Alexandria Core Based Statistical Area (CBSA), as published by the United States Department of Labor, Bureau of Labor Statistics, or a successor index.

Contested election means an election in which there are more candidates for an office than the number who can be elected to that office. Contested election includes a special election held to fill a vacancy in a covered office under Section 16-17.

Contribution means the gift or transfer, or promise of gift or transfer, of money or other thing of value to a campaign finance entity to promote or assist in the promotion of the success or defeat of a candidate, political party, or question. Contribution includes proceeds from the sale of tickets to a campaign fund-raising event as defined in Section 101 of the Election Law Article of the Maryland Code, as amended.

County Board means the Montgomery County Board of Elections.

Covered office means the office of County Executive or County Councilmember.

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Director means the Director of the Department of Finance or the Director's designee.

Distribution period means the period of time beginning 365 days before the primary election for the office the candidate seeks and ending 15 days after the date of the general election. The distribution period for a special election under Section 16-17 must be set by Council resolution.

Election cycle means the primary and general election for the same term of a covered office.

Eligible contribution means an aggregate donation in a 4-year election cycle of \$150 or less from an individual, including an individual who does not reside in the County.

Fund means the Public Election Fund.

Noncertified candidate means a person who is running for a covered office who either:

- (1) chooses not to apply to be a certified candidate; or
- (2) applies to be a certified candidate but fails to qualify.

Non-participating candidate means a person who is running for a covered office who is either a noncertified candidate or a certified candidate who declines to accept a public contribution.

Participating candidate means a certified candidate who has received a public contribution from the Fund for a primary or general election.

Public contribution means money disbursed from the Fund to a certified candidate.

Publicly funded campaign account means a campaign finance account established by a candidate for the exclusive purpose of receiving eligible contributions and spending funds in accordance with this Article.

Qualifying contribution means an eligible contribution of at least \$5.00 but no more than \$150.00 in support of an applicant candidate that is:

- (1) made by a County resident;
- (2) made after the beginning of the designated qualifying period, but no later than the respective election; and
- (3) acknowledged by a receipt that identifies the contributor's name and residential address and signed by the contributor directly or by a digital signature using a method approved by the Board.

Qualifying period means the period of time beginning on January 1 following the last

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election for the office the candidate seeks and ending 45 days before the date of the primary election. The qualifying period for a special election under Section 16-17 must be set by Council resolution.

Slate means a political committee of two or more candidates who join together to conduct and pay for joint campaign activities. (2014 L.M.C., ch. 28, § 2; 2018 L.M.C., ch. 3, §1.)

Sec. 16-19. Public Election Fund established.

- (a) The Director must create a Public Election Fund. This Fund is continuing and non-lapsing.
- (b) The Fund consists of:
 - (1) all funds appropriated to it by the County Council;
 - (2) any unspent money remaining in a certified candidate's publicly funded campaign account after the candidate is no longer a candidate for a covered office;
 - (3) any public contribution plus interest returned to the Fund by a participating candidate who withdraws from participation;
 - (4) all interest earned on money in the Fund; and
 - (5) voluntary donations made directly to the Fund. (2014 L.M.C., ch. 28, § 2.)

Sec. 16-20. Collecting qualifying contributions.

- (a) Before raising any contribution governed by this Article, an applicant candidate must:
 - (1) file notice of intent with the Board on or before April 15 of the year of the election on a form prescribed by the Board; and
 - (2) establish a publicly funded campaign account for the candidate for the purpose of receiving eligible contributions and spending funds in accordance with this Article.
- (b) Other than a contribution from an applicant candidate or the candidate's spouse, an applicant candidate must not accept an eligible contribution from an individual greater than \$150.

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(c) An applicant candidate must not accept a loan from anyone other than the candidate or the candidate's spouse. An applicant candidate and the candidate's spouse together must not contribute or lend a combined total of more than \$12,000 to the candidate's publicly funded campaign account.

(d) *Consumer Price Index adjustment.* The Chief Administrative Officer must adjust the contribution limit established in Subsection (b), effective July 1, 2018, and July 1 of each subsequent fourth year, by the annual average increase, if any, in the Consumer Price Index for the previous 4 calendar years. The Chief Administrative Officer must calculate the adjustment to the nearest multiple of 10 dollars, and must publish the amount of this adjustment not later than March 1 of each fourth year. (2014 L.M.C., ch. 28, § 2; 2017 L.M.C., ch. 33, § 1; 2018 L.M.C., ch. 3, § 1.)

Sec. 16-21. Requirements for certification.

- (a) To qualify as a certified candidate:
 - (1) a candidate for Executive must collect from County residents at least:
 - (A) 500 qualifying contributions; and
 - (B) an aggregate total of \$40,000;
 - (2) a candidate for At-Large Councilmember must collect from County residents at least:
 - (A) 250 qualifying contributions; and
 - (B) an aggregate total of \$20,000; and
 - (3) a candidate for District Councilmember must collect from County residents at least:
 - (A) 125 qualifying contributions; and
 - (B) an aggregate total of \$10,000.
- (b) An applicant candidate must deposit all eligible contributions received into the candidate's publicly funded campaign account. An applicant candidate must deliver to the Board a copy of a receipt for each qualifying contribution.
- (c) A candidate must apply to the Board for certification during the qualifying period.
- (d) The Executive, after consulting with the Board, must adopt regulations under

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Method 1 that specify:

- (1) how and when receipts for qualifying contributions from contributors must be submitted to the Board;
- (2) the documents that must be filed with the Board for certification;
- (3) the allowable uses of money in a publicly funded campaign account; and
- (4) other policies necessary to implement this Article. (2014 L.M.C., ch. 28, § 2.)

Editor's note—2014 L.M.C., ch. 28, § 2 Initial Regulations, states: The County Executive must submit the initial regulations required by Subsection 16-21(d) to the Council for approval not later than 180 days after this Act becomes law.

Sec. 16-22. Board determination.

(a) The Board must certify an applicant candidate if the Board finds that the candidate has received the required number of qualifying contributions and the required aggregate total dollars for the office no later than 10 business days after receiving:

- (1) a declaration from the candidate agreeing to follow the regulations governing the use of a public contribution;
- (2) a campaign finance report that includes:
 - (A) a list of each qualifying contribution received;
 - (B) a list of each expenditure made by the candidate during the qualifying period; and
 - (C) the receipt associated with each contribution and expenditure; and
- (3) a certificate of candidacy for a covered office.

(b) The decision by the Board whether to certify a candidate is final.

(c) A candidate may submit only one application for certification for any election. A candidate may correct any mistakes in the application for certification within the earlier of:

- (1) 10 business days after receiving notice that the Board denied the application; or

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(2) the end of the qualifying period.

(d) If the Board certifies a candidate, the Board must authorize the Director to disburse a public contribution to the candidate's publicly funded campaign account. (2014 L.M.C., ch. 28, § 2; 2017 L.M.C., ch. 23, § 1.)

Sec. 16-23. Distribution of public contribution.

(a) The Director must distribute a public contribution from the Fund to each certified candidate in a contested election only during the distribution period as follows:

(1) for a certified candidate for County Executive, the matching dollars must equal:

(A) \$6 for each dollar of a qualifying contribution received for the first \$50 of each qualifying contribution;

(B) \$4 for each dollar of a qualifying contribution received for the second \$50 of each qualifying contribution; and

(C) \$2 for each dollar of a qualifying contribution received for the remainder of each qualifying contribution.

(2) for a certified candidate for County Council, the matching dollars must equal:

(A) \$4 for each dollar of a qualifying contribution received for the first \$50 of each qualifying contribution;

(B) \$3 for each dollar of a qualifying contribution received for the second \$50 of each qualifying contribution; and

(C) \$2 for each dollar of a qualifying contribution received for the remainder of each qualifying contribution.

(3) The total public contribution payable to a certified candidate for either a primary or a general election must not exceed:

(A) \$750,000 for a candidate for County Executive;

(B) \$250,000 for a candidate for At Large Councilmember; and

(C) \$125,000 for a candidate for District Councilmember.

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(b) The Director must not distribute matching dollars from the Fund to a certified candidate for:

- (1) a contribution from the candidate or the candidate's spouse; or
- (2) an in-kind contribution of property, goods, or services.

(c) A certified candidate may continue to collect qualifying contributions and receive a matching public contribution up to a primary or a general election. A qualifying contribution must not exceed \$150 from any individual in the aggregate during a 4-year election cycle.

(d) On or before July 1 of the year preceding the primary election, the Director must determine if the amount in the Fund is sufficient to meet the maximum public contributions reasonably expected to be required during the next election cycle. If the Director determines that the total amount available for distribution in the Fund is insufficient to meet the allocations required by this Section, the Director must reduce each public contribution to a certified candidate by the same percentage of the total public contribution.

(e) Within 3 business days after the County Board certifies the results of the primary election, the Board must authorize the Director to continue to disburse the appropriate public contribution for the general election to each certified candidate who is certified to be on the ballot for the general election.

(f) Within 30 days after the County Board certifies the results of the primary election, a participating candidate who is not certified to be on the ballot for the general election must return any unspent money in the candidate's publicly funded campaign account to the Fund. Within 30 days after the County Board certifies the results of the general election, a participating candidate must return any unspent money in the candidate's publicly funded campaign account to the Fund.

(g) A certified candidate nominated by petition may receive a public contribution for the general election if:

- (1) the candidate's nomination is certified by the County Board; and
- (2) the candidate did not participate in a primary election.

(h) A participating candidate must submit a receipt for each qualifying contribution to the Board to receive a public contribution. The Director must deposit the appropriate public contribution into a participating candidate's publicly funded campaign account within 3 business days after the Board authorizes the public contribution.

(i) A candidate may receive a matching public contribution during the general election for an unmatched qualifying contribution received during the primary election after the candidate has received the maximum public contribution for the primary election if the candidate

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is otherwise eligible to receive matching public contributions during the general election.

(j) If the Director mistakenly distributes a public contribution to a candidate greater than the candidate was entitled to receive, the candidate must repay the funds mistakenly distributed within 5 business days after being notified of the mistake. Any unspent funds returned to the County after an election may be used as a credit against any repayment required for a public contribution mistakenly received.

(k) *Consumer Price Index adjustment.* The Chief Administrative Officer must adjust the public contribution limits established in Subsection (a)(3) and the eligible contribution limit established in Subsection (c), effective July 1, 2018, and July 1 of each subsequent fourth year, by the annual average increase, if any, in the Consumer Price Index for the previous 4 calendar years. The Chief Administrative Officer must calculate the adjustment to the nearest multiple of 10 dollars, and must publish the amount of this adjustment not later than March 1 of each fourth year. (2014 L.M.C., ch. 28, § 2; 2017 L.M.C., ch. 23, § 1.)

Sec. 16-24. Use of public contribution.

(a) A participating candidate may only use the eligible contributions and the matching public contribution for a primary or general election for expenses incurred for the election. A participating candidate must not pay in advance for goods and services to be used after certification with non-qualifying contributions received before applying for certification unless the expenditure is permitted by Executive regulation adopted under Section 16-21.

(b) A complaint alleging an impermissible receipt or use of funds by a participating candidate must be filed with the Board.

(c) A participating candidate must provide the Board with reasonable access to the financial records of the candidate's publicly funded campaign account, upon request.

(d) Within 30 days after the County Board certifies the results of the general election, a participating candidate must return to the Fund any unspent money in the candidate's publicly funded campaign account. (2014 L.M.C., ch. 28, § 2.)

Sec. 16-25. Withdrawal.

(a) A certified candidate may withdraw an application for a public contribution any time before the public contribution is received by the candidate's publicly funded campaign account.

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- (b) A participating candidate may withdraw from participation if the candidate:
- (1) files a statement of withdrawal with the Board on a form prescribed by the Board; and
 - (2) repays to the Fund the full amount of the public contribution received, together with the applicable interest established by regulation. (2014 L.M.C., ch. 28, § 2.)

Sec. 16-26. Applicant and participating candidate restrictions.

An applicant candidate or a participating candidate must not:

- (a) accept a private contribution from any group or organization, including a political action committee, a corporation, a labor organization, or a State or local central committee of a political party;
- (b) accept private contributions from an individual in an aggregate greater than \$150 during a 4-year election cycle, or the maximum amount of an eligible contribution, as adjusted by Section 16-23(i);
- (c) pay for any campaign expense after filing a notice of intent with the Board to seek public funding with any campaign finance account other than the candidate's publicly funded campaign account;
- (d) be a member of a slate in any election in which the candidate receives a public contribution;
- (e) accept a loan from anyone other than the candidate or the candidate's spouse; or
- (f) transfer funds:
 - (1) to the candidate's publicly funded campaign account from any other campaign finance entity established for the candidate; and
 - (2) from the candidate's publicly funded campaign account to any other campaign finance entity. (2014 L.M.C., ch. 28, § 2; 2018 L.M.C., ch. 3, § 1.)

Sec. 16-27. Committee to Recommend Funding for the Public Election Fund.

- (a) The Committee to Recommend Funding for the Public Election Fund consists of 5 members appointed by the County Council for a four-year term beginning on May 1 of the first

MONTGOMERY COUNTY CODE

year of the Council's term of office. A vacancy occurring before the end of a term must be filled by appointment for the remainder of the term. The Council must ask the County Executive to recommend within 30 days one or more qualified applicants before making any appointment.

(b) Each member must be a resident of the County while serving on the Committee. No more than 3 members must be of the same political party. The Council must designate the chair and vice-chair.

(c) Each member must serve without compensation, but may be reimbursed for reasonable expenses.

(d) The Committee must issue a report to the Council on or before March 1 of each year estimating the funds necessary to implement the public campaign finance system and recommending an appropriation to the Public Election Fund for the following fiscal year.

(e) The Council Administrator must provide staff support for the Committee. (2014 L.M.C., ch. 28, § 2.)

Sec. 16-28. Penalties.

Any violation of this Article is a Class A civil violation. Each day a violation exists is a separate offense. (2014 L.M.C., ch. 28, § 2.)

Montgomery County Department of Finance Earns Two NACo Achievement Awards

For Immediate Release: Monday, June 10, 2019

Montgomery County's Department of Finance (Finance) has earned two 2019 Achievement Awards for outstanding programs. The awards are presented by the National Association of Counties (NACo) to recognize efforts by local jurisdictions that promote responsible, responsive and effective county government.

Finance programs receiving awards this year are:

Public Election Fund

- Montgomery County, Maryland's Public Election Fund (PEF) is a public campaign financing program established to encourage greater voter participation in County elections, increase opportunities for more residents to run for office, and reduce the influence of large contributions from businesses, political action groups, and other large organizations. The County adopted legislation in 2014 which established the PEF in January of 2015 for the 2018 election cycle. While many jurisdictions throughout the Country have a public campaign finance program, Montgomery County is the first County in the United States to have a public campaign finance program for a local election. There were 68 candidates who appeared on the 2018 County Council and County Executive election ballots, 40 of those candidates filed an intent to participate in the program with 23 candidates qualifying for the Program and receiving approximately \$5.25 million in matching public funds. Of the 10 elected offices eligible to participate in the PEF program, seven of those offices were attained by a candidate who participated in the program, including the highest elected office of County Executive.

Software Robotic Process Automation

- Finance is leveraging Robotic Process Automation (RPA) technology from UiPath to automate routine, repetitive tasks such as data entry within the organization with the expectation of expanding this to other departments in the County. Tasks that have already been automated using RPA technology in the department are freeing up several hours of work each week that can be reallocated to other tasks such as customer service. The combination of utilizing this technology along with the County

administration's emphasis of Lean and Six Sigma for business process improvement will provide tremendous value to residents' tax dollars.

"Robotics Process Automation is a two-year-old technology in the United States. Early on the Finance Department leadership team in Montgomery County, Maryland, saw the potential of this emerging technology and became the first County in the United States to deploy robotic process automation," said UiPath Federal Chief Technology Officer Jim Walker. "We at UiPath could not be more excited. Over time the efficiencies and value to the County will contribute to even better service than residence receive now."

Finance is responsible for the financial administration of the County government, including accounting and payroll, debt and cash management, tax billing and revenue collection, economic and revenue forecasting, and risk management.

The department manages financial operations, recommends and implements fiscal policies, safeguards public assets, and encourages a safe environment on public property. For more information about Finance, go to www.montgomerycountymd.gov/finance.

NACo unites America's 3,069 County Governments. Founded in 1935, NACo brings County officials together to advocate with a collective voice on national policy, exchange ideas and build new leadership skills, pursue transformational County solutions, enrich the public's understanding of County Government and exercise exemplary leadership in public service. For more information about NACo, go to <https://www.naco.org/>.

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Release ID: 19-201

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Fair Elections in Montgomery County

2018 Matching Program Encourages and
Empowers Small Donors

Maryland PIRG
Foundation

Fair Elections in Montgomery County

2018 Matching Program Encourages and
Empowers Small Donors

Emily Scarr
Maryland PIRG Foundation

Joe Ready
USPIRG Education Fund

September 2019

Maryland PIRG

Foundation

Acknowledgments

The authors wish to thank the staff of Common Cause Maryland for their review of drafts of this document, as well as their insights and suggestions. Thanks also to R.J. Cross of Frontier Group for editorial support.

Maryland PIRG Foundation thanks Piper Fund, a Proteus Fund initiative for making this report possible.

The authors bear responsibility for any factual errors. Policy recommendations are those of Maryland PIRG Foundation. The views expressed in this report are those of the authors and do not necessarily reflect the views of our funders or those who provided review.

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Executive Summary

“Big money” – the large donations that come from a few mega-donors and special interests – dominates current American politics, shaping everything from who runs for office to a candidate’s ability to communicate their message to the public. Traditional campaign financing favors those with money or access to money, and people of color, women, low income folks, young people, and immigrants are often left out.

But it doesn’t have to be this way. Around the country, cities, counties and states are taking action to fight back against large donors’ dominance of politics. One such effort is the Fair Elections law adopted in Montgomery County, Maryland, which provides candidates for county-level positions with limited matching funds if they agree to accept contributions only from small donors.

The programs goals include encouraging greater participation, reducing the influence of large donors, and enabling more residents to be able to run for public office.

This report analyzes the fundraising data from the 2018 county elections, the first election in Maryland to use a small donor matching system. Overall, the small donor matching system was largely successful in achieving its stated goals. Our review of the data concludes that:

1. Small donors accounted for a significantly larger portion of the fundraising for candidates in the program.
2. The average donation was dramatically smaller for qualifying candidates.

Candidates who qualified for the matching program raised 98% of their money in small contributions (\$150 or less) and matching funds compared to 3% for candidates who did not participate.¹

Candidates qualifying for the program received an average contribution of \$86 compared to \$1,145 for non-participating candidates.²

Fig 1. Percent of Fundraising from Small Contributions (\$150 or less)

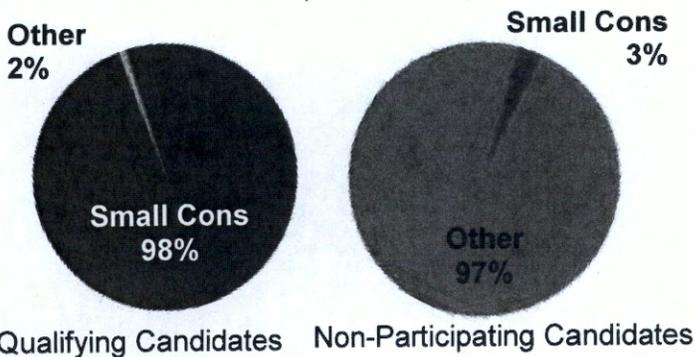


Fig 2. Average Size of Contributions



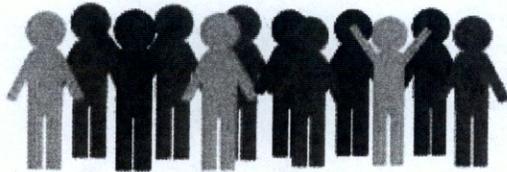
¹ When you remove Blair’s fundraising from the analysis, the percent of fundraising from small contributions for non-participating candidates rises to 9%. See Page 5 “Impacts of Small Donor Matching Program.”

² When you remove candidate Blair’s fundraising from the analysis, the average contribution for non-participating candidates drops to \$435. See Page 5 “Impacts of Small Donor Matching Program.”

- Individual donors participated at a higher rate when candidates participated in the small donor program.

Candidates who qualified for the program on average received 96% more contributions from individuals than candidates who did not participate in the program. (850 vs 434)

Fig 3. Average Number of Contributions from Individuals



Qualifying Candidates: 850



Non-Participating Candidates: 434

- Candidates running for county council seats were able to use the small donor system to run competitive races.

Once you add matching funds, the average contribution for candidates participating in the program was similar to the average contribution for candidates accepting large contributions. (\$306 for qualifying vs \$292 for non-participating)

Fig 4. Average Total Contribution (Including Match)



Qualifying Candidates

Non - Participating Candidates

\$306

\$292

The evidence suggests that the small donor program worked on many fronts. Other counties, cities and states should look to Montgomery County as an example of how to take effective and substantial action on campaign finance reform.

Introduction

Since the Supreme Court's misguided decisions in *Citizens United vs. FEC* and *McCutcheon vs. FEC*, big money's influence in politics has become a central and pressing issue for our democracy. In 2010, only 13 percent of donations to congressional campaigns came from small donors – individuals who gave \$200 or less.³ In contrast, individual contributions from large donors, those who gave more than \$200, made up 48 percent of campaign funds, providing almost four times as much money as small donors.⁴

The problem of big money affects every part of politics – who runs for office, who wins, and how candidates and officials spend their time both while campaigning and in office. Because securing funds from large donors is such a necessary component of office-seeking, the dominance of big money can “filter out” candidates who lack connections to large donors and PACs, causing many otherwise worthy and willing candidates not to seek elected office.

More importantly, regular people don't have a voice in deciding who runs for office. When big money determines who can run for office, it means that everyone who doesn't have access to big money is on the outside looking in. That's not how our democracy is supposed to work. Citizens should have an equal voice. Money

should not determine the strength of a citizen's voice in our democracy.

The role of big money is not limited to federal elections. Across the country, we see similar trends at the state and local level. While in the long term, reversing *Citizens United* and *McCutcheon* by constitutional amendment is necessary, in the short term, one of the best solutions is to amplify the voices of small donors by providing matching funds. Such programs seek to balance the scales of our democracy in favor of ordinary voters, increasing their power and, by requiring candidates to pledge not to accept large contributions as a condition for receiving matching funds, reducing the influence of large donors as well.

In September 2014, the Montgomery County Council passed Bill 16-14, instituting a small donor campaign contribution matching program. The stated goals of the program are to encourage greater voter participation, reduce the influence of large donors, and enable more residents to be able to run for public office.⁵

The first election for which these matching funds were available was held in 2018. This report analyzes those results and shows that the small donor empowerment program made a significant impact. Candidates who participated in the matching program were able to run campaigns funded by small donors.

³ The Center for Responsive Politics, *Small Donors Make Good Press, But Large Donors Get You Re-elected*, accessed 21 January 2018, archived at <https://web.archive.org/web/20180111183149/https://www.opensecrets.org/resources/dollarocracy/04.php>.

⁴ The Center for Responsive Politics, *Small Donors Make Good Press, But Large Donors Get You Re-elected*, accessed 21 January 2018, archived at

<https://web.archive.org/web/20180111183149/https://www.opensecrets.org/resources/dollarocracy/04.php>.

⁵ Montgomery County Council, *Public Campaign Financing*, retrieved from https://montgomerycountymd.gov/COUNCIL/public_campaign_finance.html

How the Small Donor Matching Program Works

Montgomery County has established a fund that provides matching donations to candidates for county office. In order to receive the funds, candidates have to file a notice of intent to make use of the fund, establish a campaign account, and meet a few conditions:

- They must accept only donations from individuals, of between \$5 and \$150.
- They must refuse to accept donations from large donors, PACs, corporations, other candidates and political parties.
- They must meet minimum thresholds for number of county donors and amount of money raised in order to demonstrate that their pursuit of public office is serious.⁶

If a candidate meets these conditions, they qualify for matching funds for small donations made by county residents.

County Executive Candidates

County Executive candidates must raise \$40,000 from at least 500 Montgomery County contributors to qualify for the program. Once they qualify, they receive \$6 for each dollar for the first \$50 of each donation, \$4 for each dollar for the next \$50, and \$2 each dollar thereafter (up to the maximum donation of \$150). A County Executive candidate can receive matching funds up to a maximum of \$750,000 during both contested primary and general elections.⁷

County Council At-Large Candidates

County Council At-Large candidates must raise \$20,000 from at least 250 Montgomery County contributors to qualify for the program. Once they qualify, they receive \$4 for each dollar for the first \$50 of each donation, \$3 for each dollar for the next \$50, and \$2 each dollar thereafter (up to the maximum donation of \$150). County Council At-Large candidates can receive matching funds up to \$250,000 during both contested primary and general elections.

County Council Candidates

County Council candidates must raise \$10,000 from at least 125 Montgomery County contributors to qualify for the program. They receive \$4 for each dollar for the first \$50 of each donation, \$3 for each dollar for the next \$50, and \$2 each dollar thereafter (up to the maximum donation of \$150). A County Council candidate can receive matching funds up to a \$125,000 during both contested primary and general elections.

These funds can therefore greatly amplify the impact of small donors on the race. Furthermore, because candidates must agree not to accept contributions of more than \$150 in order to qualify for the matching funds, the program has the added effect of reducing the influence of big-money interests.

⁶ These are: 500 donors/\$40,000 for County Executive; 250/\$20,000 for at-large County Council; and 125/\$10,000 for district County Council. Montgomery County Council, *Public Campaign Financing*, accessed 21 January 2018, archived at

https://web.archive.org/web/20180111213617/http://www.montgomerycountymd.gov/COUNCIL/public_campaign_finance.html.

⁷ The amount of matching funds given per dollar varies depending upon the office sought.

Impacts of Small Donor Matching Program

This section will evaluate what impact the small donor empowerment program had relative to the goals of the program.

Increasing Participation:

The results of the 2018 elections suggest that the program did increase participation in the political process.

Making a contribution to a candidate is a powerful form of participation. 35 of the total 57 candidates for county council and county executive chose to participate in the small donor empowerment program, and of those 24 qualified to receive matching funds. Those 24 candidates received a total of 20,409 contributions from individuals, an average of 850 contributions per candidate. In contrast, the 22 candidates who did not participate in the program received 9,551 contributions from individuals, an average of 434 contributions from individuals per candidate.

While it is impossible to ascribe with 100% certainty why any specific contribution was made, the fact that participating candidates received on average 96% more contributions from individuals than candidates who did not participate in the program suggests that overall, the small donor empowerment program encouraged participation. The matching provided an incentive for candidates to actively solicit small contributions, and it also provided an incentive for donors to give, knowing that their small dollars could make a big difference.

Reducing the Influence of Big Money:

The results of the 2018 elections suggest that the small donor empowerment program did reduce the influence of big money in the political process.

As noted, candidates using the small donor system on average received more contributions from individuals (850 vs 434 per candidate) than traditional candidates, but without the matching program, they would not have raised nearly as much money as the traditional candidates. By relying on larger contributions that most people cannot afford, traditionally funded candidates would have raised 572% more dollars than qualifying candidates. This number is inflated significantly by one county executive candidate (David Blair) who gave or loaned over \$7.4 million of his own money to his campaign. The next highest fundraising total was \$1.9 million. But even if you remove Blair's fundraising, candidates relying on big money would have raised 134% more money than the candidates relying on small donors, without the matching funds.

These numbers exemplify the outsized role that big money plays in our political system. While participating candidates only accept contributions from individuals, the average contribution from business, groups and organizations to traditional candidates was \$1,285. Likewise, the overall average contribution to traditional candidates was

\$1,145 (\$435 without the Blair fundraising), both of which are more than most people can afford. The average contribution for participating candidates who qualified for the program was \$86.

The small donor empowerment program significantly changed this. With matching funds, the average contribution for qualifying candidates rises from \$86 to \$340, much closer to the average contribution of the traditional candidate. With the matching program, big money was no longer the only way for a candidate to raise enough money to compete. People who could only afford small contributions had a meaningful voice in funding candidates.

Enabling More Residents to Run for Public Office:

The results of the 2018 elections suggest that the small donor empowerment program did allow more residents to run for public office.

The sheer number of candidates running for county office would suggest that there is certainly an appetite for running for public office in Montgomery County. But, as with voter turnout, it is very difficult to ascribe motivation based on the campaign finance data. Anecdotally, the existence of the small donor matching program seems to have changed the way candidates approached running for office. It also impacted who was able to run for office. While traditional financing favors those with money or access to money, under the small donor financing system those with community

support are empowered to run, opening the doors for more women, people of color, and low-income residents to seek office.

In an interview with the *Washington Post*, former council member and drafter of the law Phil Andrews said, "There's [now] an emphasis on all individuals, cutting out the middleman, cutting out the bundlers and going directly to the people... It's very democratic."⁸ First-time candidate Brandy Brooks expressed her gratitude for the funds, crediting the small donor matching program for opening up the race: "It's really made me feel like fundraising for this race is possible."⁹

Based on the results of the races, the small donor empowerment program created another, viable way for a person to run for office that does not require access to big money. The new County Executive and five of the nine candidates who won a seat on county council, participated in the small donor program.

⁸ Rachel Siegel, "Under New Public Finance Law, Montgomery Candidates Change Fundraising Tactics," *The Washington Post*, 17 August 2017.

⁹ Bill Turque, "Montgomery County Candidates Line Up for Taxpayer-Funded Contributions," *The Washington Post*, 7 June 2017.

2018 Montgomery County Election Details

This section will evaluate what impact the small donor empowerment program had on County Executive and County Council races.

County Executive Race

- 8 candidates ran for the County Executive seat, 4 participated in the program, and all 4 qualified to receive matching funds.
- Candidates who qualified for the program received an average of 156% more contributions from individuals than non-participants (2,167 contributions versus 845 for non-participating candidates).
- The average contribution without matching funds for qualifying candidates was \$81 versus \$2,632 for non-participating candidates.¹⁰
- Once you apply matching funds the average contribution for participating candidates rose to \$386 versus \$2,632 for non-participating candidates.¹¹

County Council Races

- 49 candidates ran for County Council, 31 participated in the program, and of those 20 qualified to receive matching funds.
- Candidates who qualified for the program received an average of 71% more contributions from individuals. (587 individual contributions versus 343 for non-participating candidates).
- The average contribution without matching funds for qualifying candidates was \$90 versus \$292 for non-participating candidates.
- Once you apply matching funds, the average contribution for qualified candidates rose to \$306 versus \$292 for non-participating candidates.

Conclusion

The data from the first election suggest that the small-donor matching program is succeeding in its goals. Small donors accounted for a significantly larger portion of the fundraising for candidates in the program. Small donors participated at a higher rate when candidates participated in the small donor program. And candidates were able to use the small donor system to run competitive races.

Based on the 2018 election, Montgomery County's matching program worked as intended, and should serve as a model for other communities, both in Maryland and elsewhere in America.

¹⁰ When you remove candidate Blair's fundraising from the analysis, the average contribution for non-participating candidates drops to \$758. See Page 5 "Impacts of Small Donor Matching Program."

¹¹ When you remove candidate Blair's fundraising from the analysis, the average contribution for non-participating candidates drops to \$758. See Page 5 "Impacts of Small Donor Matching Program."

Methodology

Data on candidates' donations were obtained from the Maryland Campaign Reporting Information System, accessed at <https://campaignfinancemd.us/Public/ViewReceipts?theme=vista>. These data list the individual contributions from donors, as well as information about these donors, including their name, location and type.

The data in this report captures all of the funds candidates had available to spend during the election cycle, including money that candidates loaned their own campaigns and in-kind contributions. It is beyond the scope of this report to examine whether or not those loans were repaid.

Candidate committee contribution data were first de-duplicated to remove instances of a single contribution being reported more than once.

Next, the candidate committees were sorted by what elected position they were running for: County Executive, Councilperson at Large and District Councilperson.

Next the candidates were separated into three categories: candidates who participated in the matching system, candidates who participated in the matching system and qualified for matching funds, and candidates who did not participate the matching system. For each category of candidate, the following calculations were performed: (1) the numbers of contributions were summed within the category, (2) the total funds raised were summed, (3) the average contribution was calculated by dividing the result of (2) by the result of (1).

Next, the percent of contributions made by individuals (defined as individual persons, i.e. excluding PACs, unions, and other organizations) was determined by counting the number of contributions made by individuals and dividing that number by the total number of contributions.

Next, the percent of contributions made by small donors was determined. This was done by counting the number of contributions of less than or equal to \$150 and dividing by the total number of contributions.

Next, the average number of contributions and funds raised per candidate was calculated by dividing the total number of contributions and the total dollars by the total number of candidates in each candidate category.

In addition, for candidates participating in the matching system, the following calculations were performed: (1) the number of dollars coming from the matching fund were calculated; (2) the average contribution *before* matching funds were applied was calculated by subtracting the matching funds from total fundraising and dividing by the number of contributions, in order to accurately portray the amount of money given by each individual donor.

Finally, the percent of total fundraised dollars that came from small donations was calculated. For candidates who have not received matching funds, this was calculated by summing all contributions of less than or equal to \$15 and dividing by total fundraised dollars. For candidates receiving matching funds, this was done by summing all contributions of less than or equal to \$15, but this sum was then divided by the total fundraised dollars less matching contributions.

These calculations were repeated across the following categories within the three types of candidate committees: all candidates in the category, candidates running for county executive, candidates running for county council at large, all candidates running for district seats, candidates running in each district (Districts 1-5), candidates who are incumbents and candidates who are not incumbents. These detailed figures are located in the appendix.

Appendix

Table 1: Results among candidates who participated in the matching program and qualified for matching funds.

	# of Candidates	# of Cons.	Total Dollars	Avg. Con.	Matching Dollars	Avg. Con. W/o Match	% from Individuals	# Cons from Individuals	% of \$ from Small Donors and Match
Total	24	20,559	\$6,989,094	\$340	\$5,219,441	\$86	99%	20,409	98%
Avg.	n/a	857	\$291,087	n/a	\$217,477	n/a	n/a	850	n/a
Count. Exec.	4	8,722	\$3,365,262	\$386	\$2,663,721	\$81	99%	8,667	99%
All Council	20	11,837	\$3,620,832	\$306	\$2,555,720	\$90	99%	11,742	97%
At Large	12	9,405	\$2,906,993	\$309	\$2,068,029	\$89	99%	9,357	97%
Dist. 1	4	1,128	\$318,849	\$283	\$205,221	\$102	99%	1,113	93%
Dist. 2	1	401	\$102,430	\$255	\$76,095	\$67	98%	392	100%
Dist. 3	1	510	\$180,390	\$354	\$125,000	\$110	97%	495	97%
Dist. 4	1	162	\$50,490	\$312	\$37,275	\$83	98%	158	98%
Dist. 5	1	231	\$61,680	\$267	\$44,100	\$77	98%	227	97%

Table 2: Results among candidates to did not participate in the matching program

	# of Candidates	# of Cons.	Total Dollars	Avg. Con.	% from Individuals	# Cons from Individuals	% of \$ from Small Donors
Total	22	10,373	\$11,876,440	\$1,145	92%	9,551	3%
Avg.	n/a	472	\$539,838	n/a	n/a	434	n/a
Count. Exec.	4	3,782	\$9,953,272	\$2,632	89%	3,379	1%
All Council	18	6,591	\$1,923,168	\$292	94%	6,172	20%
At Large	8	2,316	\$510,846	\$221	94%	2,179	16%
Dist. 1	4	2,322	\$899,205	\$387	96%	2,236	12%
Dist. 2	3	137	\$46,546	\$340	77%	105	13%
Dist. 3	1	985	\$216,731	\$220	98%	965	17%
Dist. 4	1	4	\$1,050	\$263	100%	4	5%
Dist. 5	1	827	\$248,789	\$301	83%	683	13%

Table 3: Results among all candidates who participated in the matching program

	# of Candidates	# of Cons.	Total Dollars	Avg. Con.	Matching Dollars	Avg. Con. W/o Match	% from Individuals	# Cons. from Individuals	% of \$ from Small Donors and Match
Total	35	21,900	\$7,157,914	\$327	\$5,219,441	\$89	99%	21,735	97%
Avg.	n/a	626	\$204,512	n/a	\$149,127	n/a	n/a	621	n/a
Count. Exec.	4	8,722	\$3,365,262	\$386	\$2,663,721	\$81	99%	8,667	99%
All Council	31	13,178	\$3,792,652	\$288	\$2,555,720	\$94	99%	13,068	95%
At Large	22	10,698	\$3,070,438	\$287	\$2,068,029	\$94	99%	10,637	95%
Dist. 1	4	1,128	\$318,849	\$283	\$205,221	\$101	99%	1,113	93%
Dist. 2	1	401	\$102,430	\$255	\$76,095	\$66	98%	392	100%
Dist. 3	1	510	\$180,390	\$354	\$125,000	\$109	97%	495	97%
Dist. 4	1	162	\$50,490	\$312	\$37,275	\$82	98%	158	98%
Dist. 5	2	279	\$70,055	\$251	\$44,100	\$93	98%	273	88%

**Testimony from Sharon L. Cohen -- Resident of Potomac, MD
Before The Montgomery County Council
March 26, 2019**

Good evening my name is Sharon Cohen. By way of background, I am a life long resident of Montgomery County, I serve as the First Vice Chairman of the Montgomery County Republican Party and I served as the Vice-Chair of the Council’s Committee to Recommend Funding for the Public Election Fund (PEF) for the past four years. I have a broad understanding of and interest in the PEF program. Today I testify solely on my on behalf.

Before outlining several major areas of concern about the Public Election Fund (PEF), I want to express my thanks to our Committee Chairman, David Scull, my Republican colleague on the Committee (Lee Annis) and the other members of the Committee, Paul Schwartz and Margaret Green. I also want to thank the Committee’s staff Amanda Mihill as well as David Crow (the County Executive Staff) and the Maryland Board of Elections staff – Jared DeMarinis both of whom with our Committee.

Further, I want to thank the PEF Committee members for always including a dissenting view in our annual reports. In my opinion, it is of critical importance for the Council, the County Executive, prospective candidates for local office as well as the public to be fully aware and have easy access to the viewpoints of the minority. I hope a minority view will be included in future Committee reports.

Some of you on the Council participated in this inaugural run of PEF program and you may have encountered a variety of issues or had concerns. In some ways, the 2018 election PEF program was a bit like trying to build the plane while flying it at the same time. In the middle of the election cycle, the prior County Council choose to enacted law changes to the program. I testified in opposition to those law changes because: 1) changing the rules of the PEF in the middle of the election cycle was inappropriate in my opinion as candidates had already made decisions to run as a PEF candidate or NOT, and others may have chosen to not run at all; and 2) some of the changes enacted were not minor in nature because those changes benefited PEF candidates.

Moving forward, I strongly encourage the Council to consider the following recommendations:

- **Limit PEF Statutory Changes to the Year Immediately Following the Gubernatorial Election**-- Reserve the year immediately following a gubernatorial election to review and enact PEF statutory changes. Further, agree to NOT enact program operational changes three years before the upcoming gubernatorial election, or specifically not after 1/1/2020 for the four-year election cycle that just began in January of this year. Making statutory or regulatory changes midstream does not create a fair process for candidates. Candidates need to have the assurance that when they decide to run as a PEF candidate or not (or to run at all for that matter) the rules of the game Will NOT Change after their decisions have been made.

- **Survey Candidates** -- Conduct a survey of PEF and non-PEF candidates alike as to their questions, concerns and potential program changes as these individuals will have significant insight into what worked or did not with the program. Our Committee tried to do this following the 2018 General Election -- that is, survey the candidates as part of our information gathering process before making our 2019 report to the Council -- but unfortunately the prior Council prohibited us from doing that.
- **Audit the PEF** -- Require on-going auditing of the program as contributions are submitted for qualification and matching. And, further, require the completion of a comprehensive post-election cycle audit following each 4-year gubernatorial election cycle. Currently there is no audit process whatsoever included in the PEF program. The Council has a fiduciary responsibility to assure taxpayer dollars are appropriately spent on this program and further that there is no program fraud.
- **Appropriately Staff the PEF** -- In order to run the County's PEF program, staff are required to implement it. In its inaugural run, there was no consideration by the Council regarding staffing to implement and run the PEF. It is NOT the State's responsibility to pay for County-related PEF staff, even if those staff are temporary or serve as consultants to the State Board of Elections. In fact, it is my understanding the Council had to create a temporary consultancy and provide funding to the State Board of Elections to actually hire staff run the County's PEF program. This situation should be avoided in the future.
- **Include Audit and Staffing Requirements in the PEF's Funding** -- The true costs of the PEF should include not only the matching funds to be distributed to qualifying candidates, but also funding for audit functions as described above as well as funds cover the expense of staffing required to implement the program even if those staff are temporary and may work for the State Board of Elections. The Council should not assume the State will cover these expenses.
- **Understand All PEF Candidates Will NOT Qualify Nor Max Out** -- One on going and false assumption by the majority on the PEF Committee in creating the annual funding recommendation for the Council, was that ALL PEF candidates would qualify and, then, ALL of the qualified PEF candidates would also raise sufficient individual contributions to receive the maximum matching fund payout. This assumption is completely false and the 2018 election proved the point that NOT ALL PEF candidates will qualify and, further, they all will not receive max out amounts.
- **Take Into Consideration that 2018 Was Unique** -- The 2018 election included the impact of term limits which greatly increased the number of candidates running for local office. Over 30 candidates ran in the Democrat primary to be one of 4 At-Large Council nominees for their party. Also, there were large numbers running in the Democrat primary for other nominee positions. While a new round of Council members will be term limited in 2022, it is hard to envision the same large numbers of candidates running in the Primary for 2022, as ran in the 2018 Primary. Consequently, PEF funding

needs for the next 4-year election cycle may well be lower than that which was experience in 2018.

- **Do NOT Over Fund the PEF** -- Originally, the Council included \$10 million in the PEF pot, and then added another \$1 million based on the PEF Committee's recommendation. Only when it became clear the \$11 million amount substantially overfunded the PEF, did the Council claw back several million. In the end, approximately \$7 million was spent in matching funds. Over funding the PEF is not appropriate especially when the County is in a revenue shortfall situation and other programs could likely use funding rather than tying up millions in the PEF pot unnecessarily. Further, the Council may pass a supplemental appropriation at any time should the PEF be under funded.
- **Allow ONLY Contributions from Registered Voters to Count** -- The single most important statutory change the Council should adopt with regard to the PEF, is to limit contributions from individuals to qualify as well as to be matched to those made ONLY by registered voters! Back in 2014, when the Council was considering the PEF's establishment, the original bill text did limit contributions for qualifying and matching to those made ONLY by registered voters in Montgomery County but the Council changed the draft text and the measure enacted allows contributions from "residents" to count for PEF qualification and matching.

The term "resident" is NOT defined in the PEF title of the Charter. So who is a resident, someone who has lived here two days, two months, or two years? Does a person visiting or living here temporarily qualify as a resident? Who knows? Further, the County does not maintain "residency rolls." Lacking a clear definition of the term "resident" or source materials for verification purposes, it is impossible to verify who is or is not a county resident.

In fact, Jared DeMarinis with the Maryland Board of elections told the Council in his 2014 testimony, the State Board of Elections, "would not be able to verify County residence without using the records for registered voters. Therefore, moving beyond registered voters to County residents would result in no verification of residency before the money is disbursed." [September 26, 2014 Memo to the Council from Council Attorney's Robert Drummer and Josh Hamlin, *Emphasis added*].

The fact that "no verification" whatsoever is done -- frankly cannot be done -- to determine who is or who is NOT a resident "before money is disbursed" creates a huge potential for fraud and misspending by the PEF program. Certainly, the contributor has to fill out a form claiming to be a resident. However, if verification of residency cannot be accomplished, as there are no county residency rolls, this in effect means anyone could claim to be a county resident and in fact not actually be a resident. And that sets up the potential for outright fraud at worse or misspending at best.

This situation where the term residency is not defined, where residency can not be verified, where PEF qualification and matching funds may be disbursed AND the failure

to establish and require any audit function of the PEF program is a breach of the Council's fiduciary responsibilities. Taxpayers, residents, candidate as well as registered voters all must be protected. Unscrupulous individuals could create any number of schemes to make it look like a person is a resident when in fact they are not, and their contributions would count towards PEF qualification and matching. That potential could not only waste taxpayer dollars it could alter an election outcome. Allowing this potential to exist is wrong and the Council must take action now to prevent it.

In closing, I urge the Council to review the minority's dissenting views included in each of the annual Committee reports to the Council for additional information about concerns regarding the over estimation of needed PEF funding and on other matters.

- 2019 Report of Committee to Recommend Funding for the Public Election Fund
- 2018 Report of Committee to Recommend Funding for the Public Election Fund
- 2017 Report of Committee to Recommend Funding for the Public Election Fund
- 2016 Report of Committee to Recommend Funding for the Public Election Fund

4

**Testimony of Pamela Coukos
Before the Montgomery County Council
Public Forum on the County's Campaign Finance Program**

March 25, 2019

My name is Pamela Coukos and I am a resident of Takoma Park, Maryland. In the spring of 2018, I served as the Chair of Shruti Bhatnagar's primary campaign for an at-large seat on the County Council. I also was an informal advisor to Shruti in January of 2018 when she was seeking matching funds under the Montgomery County public finance program. I wanted to share my challenging experience navigating the process from the perspective of a volunteer advisor to a first-time candidate under a new program. Public financing is supposed to level the playing field and create more opportunity for first-time candidates with less experience and resources. I am here to recommend removing the single certification rule to make sure it operates fairly and advances those goals.

During the 2018 primary election, the State and County Election Boards needed to interpret the new law and determine for the first time how to apply the rules to specific situations – but the timing and process for those decisions seriously harmed our campaign. After Shruti filed her request to be certified for public financing in January of 2018, she was informed that three of her contributions – two in-kind contributions and her own contribution as a candidate – would not be counted as qualifying contributions in the aggregate total amount necessary to qualify for matching funds. Removing those three small dollar contributions put Shruti below the threshold.

At that time, there was no published information, other than the language of the County code itself, that addressed the question of whether in-kind contributions and contributions by a candidate could count toward the threshold amount required to qualify for public financing. The law as written clearly permits these contributions to count for purposes of qualifying for public financing, but not for the purposes of matching funds – and I am attaching the letter our campaign sent to the County that provides more detail as to why.¹ The County, and the State Board of Elections, took a different view.

¹ Letter from Campaign of Shruti Bhatnagar for Montgomery County to David Crow, Feb. 12, 2018, attached as Exhibit 1.

Testimony of Pamela Coukos
March 25, 2019
Page Two

While I still believe our legal interpretation is correct, what matters is that our campaign had a pretty reasonable way to read the Code, and there was nothing else out there at the time she filed – no guidance, training or other information -- telling us otherwise. Shruti had in good faith made a request for certification based on a reasonable interpretation. But because of the single certification rule she was permanently excluded from public financing, even if she could have met these newly determined requirements later in the process. She was penalized under an interpretation that came after it was too late for her to comply with it. (Two months after she filed the County issued a written FAQ addressing how to treat in-kind contributions.)² The denial of matching funds based on this after the fact interpretation was a fatal setback to a promising grassroots campaign.

I got involved in helping her with the dispute over public financing because I thought what happened was incredibly unfair. As a lawyer, I believe due process means you get fair notice of the rules that apply to you, especially if there is something you could lose as a result. And I also believe that in a close case where it could go either way, fairness demands that you interpret the rules in favor of the people the rules are intended to help – not against them.

I am here today to ask the Council to remove the single certification restriction. It is not clear at all why this is necessary. The Council should permit renewed applications for certification, allowing more flexibility for first-time candidates doing the best they can to follow the rules. The County and the State do not have the resources to provide technical assistance to campaigns who are trying to understand the rules and may be relying on volunteers like me who are not campaign finance professionals. Indeed, these are the very campaigns that public financing is supposed to help.

I am proud to live in a County that provides public financing of elections, making it possible for anyone to run for public office. By making this change, the Council would make sure our County's public financing system lives up to that promise.

Pamela Coukos
7403 Baltimore Avenue
Takoma Park, MD 20912

² See Montgomery County Government, Frequently Asked Questions: Public Election Fund, available at https://www.montgomerycountymd.gov/BONDS/Resources/Files/Public_Election_Fund_FAQ_V4.pdf (retrieved March 26, 2019). The FAQ added March 2018, on the second to last page, states that in-kind contributions do not count as qualifying contributions. A copy of these FAQs is attached as Exhibit 2.

Testimony of Pamela Coukos
March 25, 2019
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EXHIBIT ONE

SHRUTI BHATNAGAR

DEMOCRAT
FOR COUNTY COUNCIL AT-LARGE

February 12, 2018

David Crow
Fiscal Projects Manager
Montgomery County Department of Finance
By Email to: David.Crow@montgomerycountymd.gov

Dear David,

Thanks for your earlier assistance with permitting my campaign finance committee to amend the original report that was submitted when we applied for certification for public financing. The revised report was submitted on Jan 30, 2018. We were informed by Jared DeMarinis from the State Board of Elections on Friday, Feb 9, 2018 that some of the contributions received by my campaign cannot be included as qualifying contributions. These include the two in-kind contributions of \$150, and the contribution of \$150 made by me as the candidate. We believe that the determination made by the State Board is an improper interpretation of the County law. According to our understanding those contributions should be included towards the aggregate total of \$20,000 needed to qualify for public finance. (We would also like to mention that this issue was not raised when the original report was submitted even though these contributions were included in the original report and calculations.)

Since it is the County law, Jared from the State Board has referred us to you for the County's view, and we would like the County's assistance in clarifying the difference in the code between qualifying contributions for certification purposes and for matching funds purposes. If these contributions are counted I do meet the threshold and should be certified.

It is our understanding that the County Code that governs the Montgomery County Public Financing system does not allow the State Board of Elections to exclude these contributions – as long as they meet the other criteria in the definition of “qualifying contributions.” County law requires the State Board of Elections to certify any candidate who meets a certain threshold number and aggregate amount of “qualifying contributions.” Nowhere in the code does it exclude in-kind contributions, or candidate or spouse contributions, from the definition of “qualifying contributions.” While the disbursement provisions exclude in-kind contributions and candidate and spouse contributions, they only apply after the certification decision is made. Further, this restriction specifically applies to the Department of Finance when calculating matching funds amounts, and not to the State Board of Elections or to the certification decision.

This letter explains in more detail how we believe the Board has misinterpreted the County rules that apply to the public finance program. We would like an opportunity to meet and discuss this with you. Because this is a new program, it is important that it is interpreted correctly, and consistent with the underlying policy and spirit of the public financing program. It is vital we preserve a fair opportunity for first-time candidates like me, who are running with the support of small donors, to compete on a level playing field.

SHRUTI BHATNAGAR

— DEMOCRAT —

FOR COUNTY COUNCIL AT-LARGE

1. The Definition of “Qualifying Contributions” Includes In-Kind Contributions and Contributions Made by a Candidate or Their Spouse, As Long As They Meet the Other Requirements of Source, Amount, Timing, and Documentation.

Article IV of the Montgomery County Elections Code specifically defines “contributions” to include both money and in-kind contributions. *Montgomery County Code Chapter 16, Article IV, Sec. 16-18* (“Contribution means . . . money or other thing of value.”) The code then establishes two subcategories of “contributions” -- “eligible contributions” which are any individual contributions of \$150 or less, and “qualifying contributions” which are “eligible contributions” that also meet additional specific criteria. *Id.*

“Qualifying contributions” under the code must be:

1. Made by a County resident (as opposed to any individual);
2. Be greater than \$5 and less than \$150;
3. Made within specified time periods (between the beginning of the qualifying time period up to 15 days before the election); and
4. Documented by a receipt that properly identifies and validates the contributor.

Sec. 16-18.

Because the definitions of “eligible” and “qualifying” contributions are based on the underlying definition of contributions in the code, they clearly include anything that meets the definition of “contribution.” None of these definitions exclude in-kind contributions or contributions by a candidate or a spouse. As long as the contributions meet the requirements of amount, timing, documentation and County residence, they fall within the definition of a “qualifying contribution.”

2. “Qualifying Contributions” Are Not Limited for Purposes of Certification – They Are Only Limited for Purposes of Calculating and Distributing Funds After Certification.

“Qualifying contributions” are used for two different purposes under the Code. The first purpose is to become certified as eligible to receive public financing from the Public Election Fund. *Sec. 16-21.* The code establishes a threshold number and a threshold total aggregate amount of qualifying contributions. For the At-Large race a candidate must receive at least 250 qualifying contributions and an aggregate amount of at least \$20,000 to be certified. *Id.* The code references only “qualifying contributions” and includes no additional limitations or exclusions on the source or type of contributions.

The second purpose of “qualifying contributions” is to determine the amount of matching funds a certified candidate can receive from the Public Election Fund. The code identifies the amount of the match for certain levels of contribution for particular offices. *Sec. 16-23.* This section of the code contains the exclusion for in-kind contributions and contributions by a candidate or spouse, and states that qualifying contributions in these two categories cannot be used to calculate the amount of matching funds. *Sec. 16-23 (b).* Crucially, this section applies not to the Board but to

SHRUTI BHATNAGAR

DEMOCRAT
FOR COUNTY COUNCIL AT-LARGE

the Department of Finance. Further, by its terms it applies only to an already certified candidate. Thus, the exclusion applies only after the certification decision.

3. County Law Requires the State Board of Elections To Certify Any Candidate Who Obtains the Required Number and Aggregate Amount of Qualifying Contributions, Regardless of Whether They Include In-Kind or Candidate/Spouse Contributions.

The code is quite clear in separating the certification decision from the matching funds distribution analysis. The Board first makes the certification decision, and the Board must certify any candidate who meets the threshold number and aggregate amount of qualifying contributions. *Sec. 16-22*. The code authorizes a different entity – the Department of Finance – to exclude these contributions later on for a different purpose – calculating matching funds. The code does not authorize the Board to exclude qualifying contributions that otherwise meet the definition on the basis that they are in-kind or from a candidate or their spouse. Indeed, there is no reason to require the Department of Finance to exclude them from the calculation of matching funds unless they count as “qualifying contributions.” If they do not count as “qualifying contributions,” they would not be in the matching calculation in the first place.

It seems that the Board’s interpretation is incorrect and not only contrary to law, but also inconsistent with the underlying policy. Based on the information provided, the Board should be allowed to include the in-kind contributions, or contributions from me or my spouse, when calculating whether I have met the required number and total amount of contributions. When those contributions are included, I clearly meet the criteria to be certified as eligible to receive public financing. I hope that due to lack of clarity in the new public finance law and keeping in mind the spirit of the public financing program you can help us resolve this issue quickly. Please provide direction to the Board and confirm that they can count those contributions in making its certification determination.

We really appreciate the opportunity to work collaboratively with the State Board of Elections and the County Government to resolve this matter. I look forward to your response and discussing this further with you.

Regards,

Shruti Bhatnagar, Candidate for County Council At-Large
On behalf of the campaign finance committee for “Shruti Bhatnagar for Montgomery County”

CC:

Jared DeMarinis <jared.demarinis@maryland.gov>
Director - Division of Candidacy and Campaign Finance
Maryland State Board of Elections

Jose Dominguez, Campaign Finance Chair <jdom9119@gmail.com>
Kirian Villata, Campaign Treasurer <kivillalta@gmail.com>

Testimony of Pamela Coukos
March 25, 2019
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EXHIBIT TWO



Montgomery County Government

Frequently Asked Questions

Public Election Fund

The following questions and answers are provided for general information only. They do not purport to be legal advice. Questions involving application of the Public Election Fund law to your particular circumstances should be addressed to a lawyer.

EXCERPT - PAGE 12 of 13

Example 2: On June 1, 2017, Candidate B files an application for certification without the appropriate number, and total dollar amount, of qualifying contributions for the covered office. The Board denies the application, but Candidate B did not have any other contributions in addition to those that had been included in the application on June 1, 2017. Candidate B will not be allowed to resubmit the application and will be disqualified from participating in the Program for not meeting the minimum qualifications to become a certified candidate.

(ADDED 3/30/18) If an individual who lives outside of the County makes an eligible contribution of \$50 to a candidate's public campaign, then subsequently moves into the County and contributes an additional \$100 to the same candidate's public campaign, at what matching level would the \$100 qualifying contribution be matched at?

The County law states that matching dollars must be distributed to a candidate's public campaign account for each qualifying contribution received. The matching dollar calculation is based on three separate \$50 dollar increments depending on which County elective office the candidate is seeking. For example, if the above candidate was running for the office of County Executive, the first \$50 would be matched at \$6 for each dollar of a qualifying contribution received, \$4 for each dollar of the second \$50, and \$2 for each dollar of the third \$50. Therefore, in the above example where only the \$100 in-County contribution is considered, the candidate's campaign would receive matching funds of \$6 for the first \$50 in qualifying contributions and \$4 for the remaining \$50 in qualifying contributions, for a total of \$500 in matching funds.

(ADDED 3/30/18) If an individual who lives in the County makes an in-kind contribution of \$150 to a candidate's public campaign, does this contribution get counted as a qualifying contribution towards candidate certification?

No, in-kind contributions are considered allowable within the Program as a transfer of value to the campaign, but these contributions are not matched with public funds or counted towards a candidate's certification as a qualifying contribution.

(ADDED 3/30/18) When is the last date that a candidate can file for certification to become a qualified candidate, eligible to receive matching funds during the 2018 election cycle?

The Program's qualifying period ends 45 days before the date of the primary election (May 12). The Program allows for candidates to file campaign finance reports on the first and third Tuesday of each month during the qualifying period. Since the third Tuesday in May 2018 falls after the qualifying period deadline (May 15), a candidate filing for certification will be allowed to submit their qualifying report on May 15, 2018, with all qualifying contributions received on or before May 12, 2018 being allowable for qualifying purposes.

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Montgomery County Council Public Forum
Public Finance Campaign
March 26, 2019
Testimony of Melissa McKenna

Hello Again. I'm still Melissa McKenna.

Running for County Council At Large was the most challenging, most demanding, and most rewarding experience for me. I became an extroverted, people person – one I could never have imagined even 5 years ago. I love learning and learned so much. Mostly, what to do next time.

Back in 2013, I was PTA president at my daughter's elementary school. Our PTA room off the main office became my home away from home. Not long into the school year a parent, and former MCPS principal, stopped me and said, "You're going to run for office." I laughed. "You're crazy. Never!" I replied.

In 2014, after meeting and talking with a State Assembly candidate for just a few minutes, she asked, "When are you going to run?" Again, I laughed. Years passed, I did good advocacy work and felt I was where I could do the most good. Then I got in even deeper: schools yes, but cities too, State level, Planning issues, the disabled community, Special Education, parks, environment.... I was hooked.

By the time 2017 rolled around, I knew I wanted to run for County Council. Respecting my Council Mayor Sidney Katz and unwilling to challenge his name recognition and all around great-guy-ness, I opted to run at large. Wow! We have a REALLY big County!

With position nailed down, the next question was public finance or traditional funding. The trendy thing to do was public finance and the opportunity of a match was enticing. It seemed like asking for \$150 would be easier than asking for thousands of dollars. In the end, I'm great advocating for others. Asking for money for me personally, VERY hard to do. I wanted to be places, in meetings, out talking to people. Fundraising was not my strength. Call time? I'd prefer to stick pins in my eyes. Although I grew up with penny pinching, Depression-era grandparents and like to think I'm great at stretching every dollar, running on less-than-a-shoestring budget was beyond tight.

Personality deficiency aside, I feel that the public campaign financing process presented additional challenges. With stricter residency requirements, typical political fundraising platforms like ActBlue or NGP VAN couldn't accommodate the additional information necessary for public finance certification. This was not just a fundraising hurdle but also became an overall database dilemma. Without one central information database and calendar, many different applications had to be cobbled together. Google Plus and the cloud can only get you so far.

Were maximum individual contributions of \$150 the right amount? Hard to say. Because of the extra fundraising effort required, campaigns started very early, making for a very long election season. It also forced a stronger leaning towards fundraising than campaigning. I will say that one \$150 contribution in an entire 4-year cycle is not enough. Perhaps \$150 a year would be better. The issue of fundraising after the primary presented the issue of when to spend. (not that I had that difficulty) I believe another round of fundraising post-primary should allow another maximum donation.

In-kind donation limits of \$250 meant well-meaning friends with "nontraditional" resources, a business of some kind, often couldn't help my campaign the way they wanted. Catering and venue rental can be less costly, but \$250 is too low. For an area that has so many Federal employees and spouses of employees subject to political campaign donation restrictions, a higher market value amount would have been a welcome respite.

Ticket fees were another sticky point. For events to which all candidates are welcome to attend, ticket donations should be an allowable in-kind donation, within reason. How about up to \$300? I would get offers from someone who had already paid for a ticket, and I had to turn them down. I didn't want my campaign funding a night out for me, even though I'd be working the room really hard.

Slate committees are not allowed in the public financing system. Neither should informal slates, meaning not a formally created campaign committee. Cost sharing with a candidate buddy(ies) is tricky but doable, equally paid for with authority lines for each or each campaign. There were two candidates who created an informal slate by creating a third joint entity, complete with its own hashtag and website. I find it hard to believe that a web site host bills two credit cards monthly. A slate of publicly funded candidates should trigger the immediate repayment of public funds.

Then there are the nuts and bolts of forms, and more forms, and quirky technology that wasn't prepared for the task at hand.

Having only "one bite at the apple" to request certification **MUST** be excused when it's a technical issue. To be disqualified due to uncooperative software or hitting "send" too soon is really disheartening. Please make this right – screens freeze, cats walk across keyboards, and the system was downright user unfriendly. What do you do when the only way forward is to click the box that says, "Don't click until ready to qualify?"

Honestly, I'm not sure what I envisioned would be the end result of publicly financed campaigns, but this [humongous stack of mailers] was NOT it. It was beyond overwhelming. It was, however, very good for the US Postal Service, printers, and mailing houses. But not for Montgomery County businesses because most of these were printed outside the County because it was cheaper and there are no union shops in the County. It also didn't do much for the environment.

Late filings happen. I fully appreciate deadlines and take responsibility for late filing fees, however, without notification of the offense until a month has passed, you rack up a tremendous fee. Further complicating this is that these fees are a prohibited expense. Why? I would have nothing to file if I weren't a candidate.

Committee conversion. There should be the ability to convert to a traditionally funded campaign committee after the qualifying deadline passes. There is no way to do this. The State Board of Elections folks seemed surprised when I asked. The only way is to close the public finance candidate account and start over. With 45 days till the election, that's the last thing a candidate wants to go through. Please make conversion a possibility – or allow contributions up to the traditional funding limit without penalty.

Only 12 people signed up to speak this evening. I had hoped we would have been given more time to share our experiences and suggestions. This is also a bit awkward and one-sided. I would have liked to have heard your thoughts and experiences too. Running for office is a very personal experience, and I had hoped our feedback would have been to the Board of Elections directly. I still hope to have a conversation with those wonderful, and wonderfully patient, folks sometime soon.

Would I go the public financing route again? Honestly, I'm not sure.

Thank you.

7

**Testimony to the Montgomery County Council
For the Public Forum on the County's Campaign Finance Program
by Paul Geller, Former At-Large Candidate for County Council
Tuesday, March 26, 2019**

President Navarro, Vice President Katz, Councilmembers Alborno, Friedson, Glass, Hucker, Jawando, Rice, and Riemer,

Thank you for this opportunity to share my campaign's experience in the primary with you. Kudos to all nine of you for running terrific campaigns.

In a year in which Public Election Funds were first applied to Montgomery County elections, and as a participant in a primary race with thirty-two other candidates for County Council At-Large, glitches were bound to occur. My campaign was caught in one and it cost us dearly.

Public Election Funding is good in theory. That said, it seems more money was spent in this campaign than ever before, and few campaigns received matching funds. Was this the goal or an unintended consequence? Either way, could this \$4,079,537 been put to better use?

At-Large candidates who ran for office before or held a countywide job, and qualified for matching funds, generally outperformed the rest. Councilmember Riemer (top vote getter in the primary), a well-known incumbent, received \$242,785 in public funds. Councilmembers Jawando (second) and Glass (third) ran for office before and received the maximum match of \$250,000. Councilmember Alborno (fourth), our former Recreation Department Director, garnered more votes than the fourth best fundraiser, and received \$168,611 in public funds.

Many hoped public financing would create a less costly endeavor for us all, while getting more people involved as volunteers and contributors. Yet with thirty-eight people running in my race, only twelve qualified for the public election fund, a measly 31.6%. Only three were women. Five of us were disqualified in March 2018 due to the "one bite at the apple rule" which states you can apply for matching funds once and must meet all requirements for contributions at that time. More on this follows.

In an effort to improve the Campaign Finance Program, here are five recommendations.

First, simplify the reporting system. It was too complicated and had a prominent glitch. The critical blow for our campaign came when filing a mandatory campaign finance report. My Treasurer and I each received at least three reminders to complete it online. Several times he tried in earnest to complete the first page of the online form, so he could move on to the key second page. The computer system prevented him from doing so. Having no way to get past this screen, my Treasurer filled it out clearly stating we had no contributions and were not seeking matching funds. As misfortune would have it, or in this case lousy programming, the first page was for applying for Public Election Funds.

My Treasurer was following these guidelines, and doing his best to complete this report, when he encountered this glitch. As soon as he informed me of what happened, we both reached out to the state election official, who assured us we should not worry since we obviously did not mean to apply for matching funds on \$0. Then he admitted to knowing of this glitch that apparently affected at least one other campaign. He told us he would get back to us. Soon enough we were given the verdict: we were disqualified. When asked who we could appeal to, we were told it was impossible. We were beyond disappointed that a glitch derailed our opportunity to get those vitally needed matching funds in the future.

Despite this issue, we soldiered on. We managed to garner one of the lowest cost per vote totals around: under \$0.25. This is something we are exceedingly proud of.

It is strongly recommended this computer glitch be fixed. The system should be tested and debugged by outside auditors. **It is also strongly recommended the “one bite at the apple” law be amended to give three bites at the apple** in case future snags arise.

Second, have a single point person or office in charge of the county’s entire Campaign Finance Program at the county level. With a clear chain of authority in place as to who will oversee the entire process for Montgomery County candidates, everyone will know who to address questions to. Several times my campaign had questions and we were shuffled back and forth between county and state employees to get an answer. It was hard to figure out who was ultimately in charge.

Third, there should be an appeal system put in place whenever the inevitable glitch shows up. How my campaign could ever have been thought to have applied for matching funds when we clearly had no donations and were attempting to comply with the election rules makes no sense. Even the election guy admitted the error was on their end. However, what really came as a shock was there was absolutely no way to appeal this decision. To this day we have no idea who heard the appeal and what their decision was based on. Surely there is a better way to do this in an era of more transparent government.

Fourth, campaign rules need to be uniformly applied and enforced.

One rule we were thoroughly instructed about was the inability of campaigns receiving public funds to form a slate. However, as the campaign progressed, at least two candidates who received significant amounts of public election funds formed a slate called TeamProgressive. They sent out joint mailers advertising their slate as TeamProgressive, held joint events publicized on social media as being for TeamProgressive, and had a voteteamprogressive.com website. Neither candidate won, however this forming of a slate was of concern. Why were election officials such sticklers with the “one bite at the apple rule,” yet there was no penalty for two candidates receiving public election funds who formed a slate?

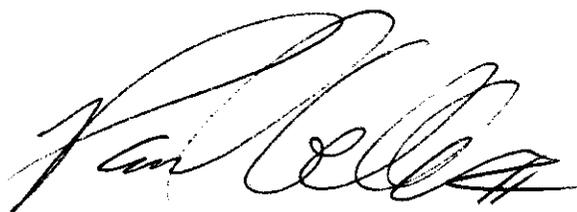
Fifth, of the twenty-two candidates who qualified for matching funds, twenty-one were Democrats. Only one Republican qualified, Ed Amatetti in District 2. Thus, out of a total distribution of \$4,079,537 in the primary, a lone Republican received \$44,850 (1.1% of the total) and twenty-one Democrats received \$4,034,687 (98.9% of the total) of the Public Election Fund Distributions. Considering the ratio of registered Democrats to registered Republicans in Montgomery County is 3.36:1 (380,483 registered Democrats; 113,221 registered Republicans), **we may want to consider how candidates can better qualify for these funds. We may also want to consider opening up the primaries statewide to Independent/Non-Partisan voters too. If we truly want to be inclusive, we must have seats at the table for everyone. All of us pay into this fund, and all of us deserve an equal opportunity to benefit from it.**

One way to level the playing field would be to lower the threshold for participating in the Campaign Finance Program to \$10,000 for all county races, change matching funds to a set dollar for dollar match up to a \$100 limit per person, with a limit of \$100,000 for the At-Large race and \$75,000 for district Council races. This would effectively cap a campaign from spending more than \$200,000 for an At-Large seat and \$150,000 for a district seat. This would also allow more candidates to run, and the matching funds to be more evenly spread. By limiting the amount candidates need to raise, they can spend more time on the campaign trail meeting with voters and constituents, and less time on the phone soliciting campaign donations.

In conclusion, running for an At-Large seat on the Montgomery County Council was a thrill. It was a tremendous opportunity to further explore the county I so love; visit some places for the first time, others like Jimmie Cone for the fifteenth; make scads of new friends; and hear about the issues most important to our residents. If I can be of help in advocating for any of the above recommendations at the county or state level, just let me know.

Thank you again for this opportunity.

All the best!



Paul Geller
Community Advocate and Former At-Large Candidate for Montgomery County Council
ppgusaAThotmail.com

March 26, 2019

Montgomery County Council

Testimony on Campaign Public Finance Program!

Good evening County Council President Navarro and all members,

My name is Shruti Bhatnagar. I am a resident of County Council district 4 and ran for an At-Large seat in the primary election of 2018. I opted to use the public campaign finance program that I support because it allows everyone to have a voice in our Democracy, encourages grassroots campaigning and small dollar contributions enabling greater participation from citizens who would otherwise not participate or be able to give donations.

The chair of my campaign committee, Pam Coukos in her testimony today has shared the challenges I encountered during my campaign. I reiterate and request that the one click rule to apply for certification should be removed. It seems an un-necessary step when candidates have already filed to use public finance. The software should be able to calculate the aggregate total, as per the criteria specified in the county public finance law and be able to indicate when a candidate has reached the threshold to qualify for matching funds.

It is also important that the county allocates enough resources including manpower to provide support services and proper implementation of the campaign financing. Time is critical during campaigning. My campaign lost three months trying to resolve the issue and get clarity on the interpretation of the law.

The un-intended consequence of the challenges we dealt with deprived my campaign from receiving matching funds, created an equity issue and a huge gap in resources that could not be filled.

I want to thank Council President Navarro, currently elected from my district and serving as the only woman on the County Council, for leading the work in our County on racial equity. I take pride in being a resident of this very diverse County where majority of its residents today are people of color.

While we will never know what the outcome of the election might have been had I received the matching funds, the unintended consequence is clear. Money is very important to any campaign and associated with the viability of a candidate.

Despite being a qualified candidate who was able to raise the aggregate amount required in qualifying contribution and reach the threshold to qualify for public finance, not receiving the matching funds put me at a great disadvantage, disabled me from running an effective campaign, severely damaged my chances of winning and the possibility of having another woman of color on the County Council.

I am very grateful to everyone who supported my campaign including my entire volunteer team who stepped up to help me all the way to finish line, but the lack of funding affected my ability to get my message out to voters across the county and to hire any staff, which was very damaging.

We must make sure that this situation does not happen again to disable another candidate specially running for the first time and new to the process. The issues must be fixed so that everyone has a fair chance, not create barriers nor prevent anyone from moving forward.

Thank you for your time and for due consideration to addressing these very important issues that can be addressed by fixing the current public campaign finance law.

Sincerely,

Shruti Bhatnagar

October 21, 2019

**Testimony on Montgomery County's Public Election Fund
For the Government Operation Committee Discussion, Oct. 24 2019**

In 2018, Montgomery County made history with the first use of the Public Election Fund. A report released by Maryland PIRG found that the program worked as intended. Candidates who opted into the program raised 98% more of their money from small contributions compared to the 3% from nonparticipating candidates. They also received an average contribution of \$86 compared to \$1,1145 from nonparticipating candidates and with matching funds, their average contribution amount was similar which made them competitive.

We also saw changes in the strategies being used by candidates to reach voters. Many of our members who live in the County highlighted participating candidates hosting free or more affordable events, candidates taking more time to learn about the issues that matter to them, and outreach activities in communities that were typically ignored until late in the elections. We also saw more diverse communities being engaged in the election, many volunteering and contributing to local candidates for the first time and being confident in the fact that their voices were being heard.

The data from 2018 and the stories from voters prove the Public Election Fund worked and as we prepare for the second use of the program in 2022, we have provided recommendations that will help ensure the program continues to succeed.

Recommendations:

- Expand the responsibilities of the Committee to Recommend Funding to the Public Election Fund to include public education and engagement. The Committee can use the materials currently available to lead outreach that ensures future candidates and voters are informed of the Fund and how they can participate. Baltimore City is currently considering having their Commission, once created, distribute educational materials, provide trainings, and partner with community organizations to reach members of communities that have been marginalized from elections and civic progresses at least 18 months prior to a general election. We believe a similar model can be adopted in Montgomery County.
- We received a number of complaints from residents regarding the diversity of the Citizens' Commission. Many expressed concerns about lack of representation from women and people of color. We recommend considering increasing the number of Committee seats available or creating a system that ensures the committee reflects the diversity of the County.
- During the 2019 legislative session, HB830 was approved mandating that jurisdictions that establish public campaign financing programs provide funding and staff to assist with oversight in addition to that provided by the State Board of Elections. With Howard County set to use its program for the first time in 2022, the additional support is necessary. We urge the County to allocate the funds needed in the next budget cycle to create the position.
- The program can only work if fully funded. We fully support the Committee's recommendation that \$7.2 million is sufficient to ensure adequate funding for all participating candidates in 2022. \$1.8 million should be added to the fund in each of the next three budget cycles in order to reach the \$7.2 million goal on time.

We hope that you will take our recommendations into consideration. Thank you for your commitment to empowering small donors, and working to ensure that Montgomery County campaigns are about everyday people.

Mihill, Amanda

From: County Council
Sent: Thursday, March 07, 2019 12:36 PM
Subject: Montgomery County Public Campaign Financing Request for Input

Dear Friend,

The Council is beginning its review of the public financing program. During the program's inaugural election cycle, 68 candidates ran for either County Executive or County Council. Of the 38 candidates that filed an intent to use public financing program for one of these offices, 23 candidates ultimately obtained public financing. Two-thirds of Councilmembers that won an elected office in 2018 chose public financing, as did the County Executive. The County ultimately spent approximately \$5.2 million during the 2018 elections on public financing (\$4.1 million during the primary election and \$1.1 million during the general election).

While the program's inaugural election cycle was quite successful, the Council recognizes that there may be room for improvement. As either a participant, non-participant, or interested individual, your feedback on the Program would help inform the Council's deliberations on this matter.

Please click on this link to participate in the survey: <https://mcgmd.wufoo.com/forms/public-election-fund-participant-survey/>.

Best Regards,
Nancy Navarro
President, Montgomery County Council

Public Election Fund Participant Survey

Public Election Fund Participant Survey

Why did you choose to participate in the PEF Program? (Check All That Apply) *

- Places a greater emphasis on small donors in the election process
- Discourages special interest financing of elections
- It is a step toward good government
- Provides greater funding for campaigns
- Other

Would you participate in the PEF Program in the future?

- Yes
- No

Why or why not?

What problems, if any, did your campaign experience with the PEF Program?

- Computing matching amounts
- Tallying small donations from the same individuals
- Burdensome standard of proof of residency
- It was administratively burdensome to upload individual donor forms/receipt and link the documents to the transaction
- The State online program was not user friendly
- State staff were unavailable to timely answer inquiries
- No problems
- Other

Did the availability of the PEF Program influence your decision to run for office?

- Yes
- No

Was the availability of the PEF Program a positive or negative influence?

What changes do you feel would improve the process for the next election?

- Lower threshold to qualify for matching funds
- Increase the public matching amount
- Increase the maximum donation amount
- Allow participants the ability to correct their initial qualifying report
- Provide participants a second opportunity during the cycle to qualify for public funding (i.e., reconsider the "one bite at the apple" rule)
- Allow donors who gave the maximum in the primary election to donate up to the maximum allowable amount in the general election
- Do not require publicly funded candidate to effectively "shut down" their public campaign account or return unused funds
- Additional training on the state software
- Candidates in uncontested races should be eligible for some matching funds
- Other

What other thoughts, about the positives and negatives of the PEF Program, would you like to share?

Name

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First

Last

Entry Id	Why did you choose to participate in the PEF Program? (Check All That Apply)					What problems, if any, did your campaign experience with the PEF Program?							
	Places a greater emphasis on small donors in the election process	Discourages special interest financing of elections	It is a step toward good government	Provides greater funding for campaigns	Other	Computing matching amounts	Tallying small donations from the same individuals	Burdensome standard of proof of residency	It was burdensome to upload individual donor forms/receipt and link the documents to the transaction	The State online program was not user friendly	State staff were unavailable to timely answer inquiries	No problems	Other
1	x			x									x
2			x									x	
3	x	x	x	x		x							
4	x		x	x		x	x		x	x			
5	x	x	x					x	x	x	x		The state staff were sometime unavailable, but I think they were trying quite hard to response. They were overwhelmed with the new system and had to make some things up as they went.
6	x	x	x	x				x	x	x			The program was not written to be user friendly. Matching donors with pdfs could have been much easier if pdfs were listed last in first. Required scrolling thru an entire list to get to latest donors. ALSO program didn't account for addendums properly

Entry Id	Why did you choose to participate in the PEF Program? (Check All That Apply)					What problems, if any, did your campaign experience with the PEF Program?							
	Places a greater emphasis on small donors in the election process	Discourages special interest financing of elections	It is a step toward good government	Provides greater funding for campaigns	Other	Computing matching amounts	Tallying small donations from the same individuals	Burdensome standard of proof of residency	It was burdensome to upload individual donor forms/receipt and link the documents to the transaction	The State online program was not user friendly	State staff were unavailable to timely answer inquiries	No problems	Other
7	x			x	As a low-income person, it was the most viable and accessible way for me to raise enough funds for a county-wide campaign	x		x	x	x			

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Entry Id	Why did you choose to participate in the PEF Program? (Check All That Apply)					What problems, if any, did your campaign experience with the PEF Program?							
	Places a greater emphasis on small donors in the election process	Discourages special interest financing of elections	It is a step toward good government	Provides greater funding for campaigns	Other	Computing matching amounts	Tallying small donations from the same individuals	Burdensome standard of proof of residency	It was burdensome to upload individual donor forms/receipt and link the documents to the transaction	The State online program was not user friendly	State staff were unavailable to timely answer inquiries	No problems	Other
8	x	x	x					x	x				

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Entry Id	Why did you choose to participate in the PEF Program? (Check All That Apply)					What problems, if any, did your campaign experience with the PEF Program?							
	Places a greater emphasis on small donors in the election process	Discourages special interest financing of elections	It is a step toward good government	Provides greater funding for campaigns	Other	Computing matching amounts	Tallying small donations from the same individuals	Burdensome standard of proof of residency	It was burdensome to upload individual donor forms/receipt and link the documents to the transaction	The State online program was not user friendly	State staff were unavailable to timely answer inquiries	No problems	Other
9	x	x		x	From a campaign staffer perspective, it was an opportunity to tap into networks and communities that might not have any interest in donating or had reservations about donating.	x	x	x	x	x	x		From the prospective of the treasurer, the state staff incorrectly calculated matching funds, resulting for our campaign to correct the total matching amount requests. This was due to the flaws in the online system.
10	x	x	x	x	Lacked network of large donors	x			x	x	x		
11	x	x	x				x		x		x		The applicability of in-kind donations to reaching the \$20,000 threshold was not documented in the summary guide. FIX THIS.

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Entry Id	What changes do you feel would improve the process for the next election?									
	Lower threshold to qualify for matching funds	Increase the public matching amount	Increase the maximum donation amount	Allow participants the ability to correct their initial qualifying report	participants a second opportunity during the cycle to qualify for public funding (i.e., reconsider the "one bite at the apple" rule)	Allow donors who gave the maximum in the primary election to donate up to the maximum allowable amount in the general election	Do not require publicly funded candidate to effectively "shut down" their public campaign account or return unused funds	Additional training on the state software	Candidates in uncontested races should be eligible for some matching funds	Other changes
1										x
2			x			x				
3				x	x	x				
4				x	x				x	
5				x	x	x			x	
6		x	x	x		x		x		

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Entry Id	What changes do you feel would improve the process for the next election?									
Lower threshold to qualify for matching funds	Increase the public matching amount	Increase the maximum donation amount	Allow participants the ability to correct their initial qualifying report	participants a second opportunity during the cycle to qualify for public funding (i.e., reconsider the "one bite at the apple" rule)	Allow donors who gave the maximum in the primary election to donate up to the maximum allowable amount in the general election	Do not require publicly funded candidate to effectively "shut down" their public campaign account or return unused funds	Additional training on the state software	Candidates in uncontested races should be eligible for some matching funds	Other changes	
7	x		x	x	x	x	x	x		



Entry Id	What changes do you feel would improve the process for the next election?									
Lower threshold to qualify for matching funds	Increase the public matching amount	Increase the maximum donation amount	Allow participants the ability to correct their initial qualifying report	participants a second opportunity during the cycle to qualify for public funding (i.e., reconsider the "one bite at the apple" rule)	Allow donors who gave the maximum in the primary election to donate up to the maximum allowable amount in the general election	Do not require publicly funded candidate to effectively "shut down" their public campaign account or return unused funds	Additional training on the state software	Candidates in uncontested races should be eligible for some matching funds		Other changes
8	x									

Entry Id	What changes do you feel would improve the process for the next election?									
	Lower threshold to qualify for matching funds	Increase the public matching amount	Increase the maximum donation amount	Allow participants the ability to correct their initial qualifying report	participants a second opportunity during the cycle to qualify for public funding (i.e., reconsider the "one bite at the apple" rule)	Allow donors who gave the maximum in the primary election to donate up to the maximum allowable amount in the general election	Do not require publicly funded candidate to effectively "shut down" their public campaign account or return unused funds	Additional training on the state software	Candidates in uncontested races should be eligible for some matching funds	Other changes
9				x		x				Extend the time needed for candidates to close their public campaign accounts. It was not enough time to pay the bills and meet the deadline to close accounts.
10				x	x	x				
11										

100

Entry Id	Did the availability of the PEF Program influence your decision to run for office?	Was the availability of the PEF Program a positive or negative influence?	Would you participate in the PEF Program in the future?	Why or why not?	What other thoughts, about the positives and negatives of the PEF Program, would you like to share?
1	Yes		No		
2	No		Yes		
3	No		Yes	It work well, and ideologically, using non-public finance is not acceptable when there is a public-finance system.	The only significant complaints I have are that a) candidates such as Shruti Bhatnagar, who made was close to qualifying and therefore wasn't frivolously filing for matching funds, should not be disqualified for misunderstanding the rules, and b) the county should provide software - an Excel spreadsheet would do -- to compute matching funds while accounting for a donor's previous donation(s). I also believe that donations from a candidate and a candidate's spouse should be matchable.
4	No		Yes		
5	Yes	Positive. I would not have run without the PEF Program in place.	Yes	The program worked exactly as it was intended, in my case. We were able to raise enough money to run a competitive campaign, and we had the incentive to reach out to as many potential small donors as possible.	I would not advise lowering the threshold to qualify. I thought the threshold was set at an appropriate level for someone who was ready to run a serious campaign.
6	No		Yes		I think the threshold is fine and leads to a good use of public funds. Candidates who can't qualify won't win and/or they should try harder.

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Entry Id	Did the availability of the PEF Program influence your decision to run for office?	Was the availability of the PEF Program a positive or negative influence?	Would you participate in the PEF Program in the future?	Why or why not?	What other thoughts, about the positives and negatives of the PEF Program, would you like to share?
7	Yes	I almost certainly would not have run if public financing had not been available. The financial barriers to campaigning are huge, and public financing helped me overcome some of them.	Yes	I believe in magnifying the power and honoring the engagement of all residents of our county, not just wealthy individuals. People who donated were excited by the opportunity the PEF provided to increase their power to shape elections and make their voice heard in politics. It is also a terrific entry point for people thinking about themselves as valuable actors in politics and local government - money is a central way we communicate about value in our society, so showing people that their money matters is a way of communicating that THEY matter.	I think the public matching amount could certainly be increased for County Council At-Large, with the increased matching weight being focused on the lowest tiers. It is a county-wide race just like the County Executive, and is still quite expensive. We ABSOLUTELY MUST eliminate barriers that needlessly disadvantage or disqualify people seeking to use the PEF. The elimination of several candidates in the 2018 cycle due to unclear interpretations of the PEF statute - and to the confusing nature of the campaign filing system prompts themselves - was a total disgrace and marred what was otherwise a very positive rollout of the new system. The fact that County Council members acted swiftly in the summer of 2017 to adjust aspects of the law that might have harmed them, but took no action when the law disqualified several other candidates for ridiculous reasons (including negating the accomplishment of the first woman to qualify for matching, who was also a woman of color) was an embarrassment. One of the key purposes of this law is to increase access for those who face barriers - not to preserve access for those already in positions of power and privilege. The PEF is a bold step that Montgomery County took to make our elections more fair and accessible, and other counties have followed our lead. This program had a significant impact in shaping the 2018 elections and diversifying the field of candidates for all County Council seats. We must continue to refine and strengthen the law to build on its successes and address the significant challenges faced by both candidates and public finance staff in this first outing. We need to ensure that the program works just as well for women, people of color, low-income people, and other disadvantaged communities as it does for those who are wealthy, white, and/or male. And we must do more to inform county residents about the program and encourage them to participate - because when more members of our community are part of shaping our politics, we get better outcomes in both elections and public policy.

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Entry id	Did the availability of the PEF Program influence your decision to run for office?	Was the availability of the PEF Program a positive or negative influence?	Would you participate in the PEF Program in the future?	Why or why not?	What other thoughts, about the positives and negatives of the PEF Program, would you like to share?
8	Yes	The availability of the PEF program was a major positive influence. It provided a goal to reach and be provided with a significant amount of money to run a campaign. It may not be financially equivalent to those running traditionally funded campaigns but it opens doors for great leaders.	Yes	I would participate in the PEF again, because it raises awareness of where a candidates true interest and support lies. Be it with individuals, organizations or businesses. It allows the voters in an area to know the priorities of each candidate through their funding streams.	This a great program for greating transformative and transparent governance. The more officials that are elected via PEF the better the governance will become. The reduction of special interest or influence in local elections will allow leaders to truly support and make decisions for the people and businesses within their community.

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Entry Id	Did the availability of the PEF Program influence your decision to run for office?	Was the availability of the PEF Program a positive or negative influence?	Would you participate in the PEF Program in the future?	Why or why not?	What other thoughts, about the positives and negatives of the PEF Program, would you like to share?
9	No	The availability of the PEF Program was definitely a positive influence.	Yes	Yes, because it reduces financial barriers for candidates from minority/underrepresented communities who wish to run for office.	Invest in a better online platform that doesn't miscalculate matching funds. Consider hiring more support State staff to handle inquiries from candidates. Provide more training, webinars, in-person presentations on public financing.
10	Yes	The availability of the PEF Program was definitely a positive influence.	Yes	All reasons stated above.	Simplifying the matching formula to 3-1 (for County Council) and 4-1 (for County Executive) for every qualifying dollar up to \$150 per donor, instead of having the current graduated scale, would make it much simpler for all parties involved, including the donors, to calculate the matching amount. This would still keep the maximum matching at \$450 and \$600 for County Council and County Executive, respectively.
11	Yes		Yes	It empowers those with ideas to run for office, independent of their financial support network.	

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Mihill, Amanda

From: County Council
Sent: Thursday, March 07, 2019 12:33 PM
Subject: Montgomery County Public Campaign Financing Request for Input

Dear Friend,

The Council is beginning its review of the public financing program. During the program's inaugural election cycle, 68 candidates ran for either County Executive or County Council. Of the 38 candidates that filed an intent to use public financing program for one of these offices, 23 candidates ultimately obtained public financing. Two-thirds of Councilmembers that won an elected office in 2018 chose public financing, as did the County Executive. The County ultimately spent approximately \$5.2 million during the 2018 elections on public financing (\$4.1 million during the primary election and \$1.1 million during the general election).

While the program's inaugural election cycle was quite successful, the Council recognizes that there may be room for improvement. As either a participant, non-participant, or interested individual, your feedback on the Program would help inform the Council's deliberations on this matter.

Please click on this link to participate in the survey: <https://mcgmd.wufoo.com/forms/public-election-fund-nonparticipant-questionnaire/>

Best Regards,
Nancy Navarro
President, Montgomery County Council

Public Election Fund Non-Participant Questionnaire

Public Election Fund Non-Participant Questionnaire

Why did you choose not to participate in the PEF Program? *

Did the availability of the PEF Program influence your decision to run for office?

- Yes
- No

Was it a positive or negative influence?

What changes to the Program would make it more likely for you to participate in the PEF Program in the future?

Name

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First Last

Mihill, Amanda

From: County Council
Sent: Thursday, March 07, 2019 12:29 PM
Subject: Montgomery County Public Campaign Financing Request for Input

Dear Friend,

The Council is beginning its review of the public financing program. During the program's inaugural election cycle, 68 candidates ran for either County Executive or County Council. Of the 38 candidates that filed an intent to use public financing program for one of these offices, 23 candidates ultimately obtained public financing. Two-thirds of Councilmembers that won an elected office in 2018 chose public financing, as did the County Executive. The County ultimately spent approximately \$5.2 million during the 2018 elections on public financing (\$4.1 million during the primary election and \$1.1 million during the general election).

While the program's inaugural election cycle was quite successful, the Council recognizes that there may be room for improvement. As either a participant, non-participant, or interested individual, your feedback on the Program would help inform the Council's deliberations on this matter.

Please click on this link to participate in the survey: <https://mcgmd.wufoo.com/forms/pef-questions-for-policy-groups/>

Best Regards,
Nancy Navarro
President, Montgomery County Council

PEF Questions for Policy Groups...

For policy groups, Department of Finance, and State Board staff

What worked well during this past election cycle as it relates to the PEF Program? *

What did not work well during this past election cycle as it relates to the PEF Program?

Do you recommend any changes to the law to improve the PEF Program?

- Yes
- No

What changes to the law do you recommend?

Do you recommend any non-law changes (staffing, software, funding) to improve the PEF Program?

- Yes
- No

What changes to the staffing, software, funding etc. do you recommend?

Add any other comments

Name

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First

Last

Entry Id	What worked well during this past election cycle as it relates to the PEF Program?	What did not work well during this past election cycle as it relates to the PEF Program?	Do you recommend any changes to the law to improve the	What changes to the law do you recommend?	Do you recommend any non-law changes (staffing, software, funding) to improve the PEF Program?	What changes to the staffing, software, funding etc. do you recommend?	Add any other comments
2	Candidates who used the PEF program could be sure they had grassroots support, rather than a few big donors, and voters who chose to do so could base their vote on whether or not a candidate used the PEF program--it allowed voters to apply pressure to candidates to get big money out of politics.	It's better, of course, if all candidates use it. Otherwise the ones who don't but who have a few big donors will be able to get their name out more broadly and swamp the competition. I was glad to see that that didn't happen, but we have a very engaged electorate. In other places, or in bigger races, candidates using public financing are going to be swamped unless everyone is required to use it.	Yes	I think we ought to make it mandatory.	No		
3	Many candidates raised more money than in previous election cycles without bowing to special interests. We greatly expanded our supporter contact list and increased grass roots candidate recognition.	Contribution limit held for both the primary and general elections.	Yes	The individual contribution limit, in my opinion, should reset if a candidate is victorious in the primary. Currently, a victorious candidate must raise money for the general election from a voter pool who did not contribute to the primary at all or has a balance from the \$150.00 limit to help in the general.	No		
4	n/a	n/a	No		No		This survey was indicated as being for the General Public, of the 3 surveys available in the email. It has nothing to do with the voting public, only policy groups! I have no survey to complete as a voter in MoCo. That is disturbing.
5	More candidates that normally would not run for office because of funding ran because of PEF program. Candidates that used the program had to reach out to groups that usually do not vote and educated and mobilized them to participate. People if they feel included in the process.	Too many rules, too many restrictions that sometimes made people feels as though candidates were cheating.	Yes	To find a way to make it more self explanatory.	No		
6	brought more people, with diverse ideas, into politics. good for democracy.		Yes		Yes		Excellent idea, to use public funds to encourage participation in running for office. More needed, at every level.

Entry Id	What worked well during this past election cycle as it relates to the PEF Program?	What did not work well during this past election cycle as it relates to the PEF Program?	Do you recommend any changes to the law to improve the	What changes to the law do you recommend?	Do you recommend any non-law changes (staffing, software, funding) to improve the PEF Program?	What changes to the staffing, software, funding etc. do you recommend?	Add any other comments
7	x	x	No		No		It was great to know that some candidates were not beholden to commercial interests that contributed big bucks to their campaign. The candidates I voted for were part of the public financing mechanism.
8	Great numbers of good candidates ran because they could afford to do so.	Too many candidates, some were really not serious. Of the candidates who ran for county council at large less than half actually ran campaigns. Forums were very awkward with this many running and making a choice was difficult. In the future the rules might be changed so that the unserious candidates drop out when they have not met the number of donors to qualify for funds. 2 when there was a winner, he/she had to get new donors so they could be viable candidates in the general. This should be changed. Their should be a maximum for the primary followed by a maximum for the general	Yes	That there be a maximum for the primary and a maximum for the winner in the general.	Yes	N A	Proud that we have public financing. It will get better in the future.
9	It was tremendously appealing and comforting to choose from candidates who declined to seek big dollar backers.	I heard from candidate about unfair delays in funding. And mistakes in applying eligibility standards.	Yes		Yes	Staff up with smart young lawyers for a time limited gig to expedite accurate application of the law. Maybe screened volunteers. Put together a mistakes made guide.	This is such a great development...don't let it slip away

Entry Id	What worked well during this past election cycle as it relates to the PEF Program?	What did not work well during this past election cycle as it relates to the PEF Program?	Do you recommend any changes to the law to improve the	What changes to the law do you recommend?	Do you recommend any non-law changes (staffing, software, funding) to improve the PEF Program?	What changes to the staffing, software, funding etc. do you recommend?	Add any other comments
10	It seemed to me that we saw a much more diverse group of candidates. Many candidates would never have thrown their hats in the ring but for the possibility of public funding.	There were so many candidates for county council - 361 - that it was difficult to figure them out. It was difficult to discern the differences among the candidates. However, it was democracy at its best. Given the large number of candidates, I found I had to rely on newspaper accounts, websites, or printed materials to determine where candidates stood on the issues. On the other hand, the county exec race seemed to work well. The debates were informative and those candidates who chose to use public financing seemed to have enough money to reach voters.	Yes	Make public funding mandatory.	No		
11	candidates were eager to tout participation, it felt like there was a concerted effort to court small dollar donors with candidate open houses, meet-and-greets, and email campaigns. Groups like MoCo Voters tracked this and shared information about candidates.	It was difficult to distinguish between candidates who collected big-dollar private money, and those who failed to meet the public finance qualification threshold.	Yes	Rank-choice voting in primaries to better ensure candidates match voter preference & statewide adoption! Also public reporting	Yes	A board of elections website that serves as a dashboard for all registered/declared candidates and lists whether campaign contributions were following public finance, whether large donations disqualified them, or whether they failed to meet the participation threshold.	Please work with Common Cause Maryland, Represent Maryland, LWV-MD and other good government groups on draft legislation to make sure due diligence is conducted on future refinements.
12	Your survey instrument should not force answers		Yes		Yes		I was unaware of this initiative but impressed by the diversity of candidates. If this is the result of the PEF, I whole heartedly support it!
13	It seems to make the elections fair for all.	I see nothing wrong with the program.	No		No		
14	First I've heard of it...so I can't say I'm overly impressed.	I think it could have been more aggressively advertised, and or promoted.	No		No		It sounds like a good idea, other than encouraging the likes of Robin Ficker.

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15	greater access of rank-and-file citizens to consider public office candidacy	Not clear of efforts to educate the general public on PEF program -- we need to shake off the Hillary Clinton insider image of the Democratic party.	Yes	educate high school and college students on how elections work and how they can participate. Provide internships and other apprentice roles to involve youth in local government -- governance as well as elections. Create similar programs for different non-English speaking groups.	Yes	government funding to increase diversity of staffing, funding roles	increase publicity of efforts to involve more citizens
16	Sorry, I have no opinion.	See above.	No		No		Knowing very, very little about this, nevertheless I think that those who spearhead it likely are civic-minded and well intentioned. I trust their judgement.
17	Pleased to see you got positive results.	More publicity! I was unaware this program existed! Where does revenue come from to support this program?	Yes	To get wider participation recommend it be included as an item on Property tax Form and/or State Income Tax FormT	Yes	More publicity!	
18	The Publicly Funded election system allowed candidates who would otherwise NOT be able to run for office in County elections to run for office. This opened up the process and allowed the electorate an opportunity to select from a diversified group candidates. This added vitality and excitement to the election. It also likely increased voter turn-out	I don't think voters were sufficiently aware which candidates were using public funding and more important, which candidates were using outside funding or were self funded. This flaw may be layed at the feet of the candidates themselves	Yes	The publicly funded system should be better at informing voters which candidates are using the system	Yes	The public needs to be better informed	I think the Program was a big success for it's first time out of the box
19	Many of the winning candidates used public financing.	I thought that candidates who won the primary were hurt that they did not get new money for the general election.	Yes	I do not think it should be one amount for both the primary and general election. Candidates who have a competitive primary will be at disadvantage in the general election.	No		
20	Big picture, the program seems to have done exactly what it was intended to do, which (as a voter and citizen) is excellent news in my book! Please keep this program going.	N/A	No		No		I wasn't enough "in the weeds" to have suggestions for improvements, but please know that citizens appreciate the program's purpose and effect, so please continue it, even if tweaks are made.

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21	Candidates who could never have been able to run ran. It increased the number of women and minority candidates. For me, I was able to weed out candidates not taking public finance.	It was so successful we had too many candidates!	No		No		
22	Unclear	Too many (30+) primary candidates for the 3 open at-large council seats	No		No		* Instead of having 4 at-large seats, convert 2 of those seats to new (smaller) districts. Down county (ie: Takoma Park) over-represented vs. upper county. * Term limits should also apply to the school board. There is one lady in particular who has been on the BoE for 20+ years. * There should be term limits across all elected positions. For example, it's currently possible to serve multiple terms on BoE, 3 terms on County Council, and 3 terms as County Exec.
23	I'm a resident. It worked for me.		No		No		
24	Not much. Election costs in Montgomery County are too expensive. Elrich won the primary because he had a PAC with union money.	Too little money, but to really be effective would require too much money.	Yes	Do away with public subsidy. Given election economics, it is a waste of money.	No		
25	Better opportunities for non-rich candidates to run	Playing field not level because wealthy candidates who opted out of PEF could spend as much as they wanted, while those who opted in were hobbled by restrictions.	Yes	Require that everyone use it?	No		I think it was a good start and we should try hard to make this work.
26	People with different backgrounds ran.	Were there too many candidates? It's a total disgrace that no new women were elected. And relatively more developer-friendly candidates seem to win anyway. Overall, somewhat disappointing election.	Yes	I'm not sure. Were there too many candidates?	Yes	Don't know.	

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27	Many candidates running using the PEF Program. Greater access to running as a candidacy is critical for our democracy.	Still not a lot of public perception differentiation for candidates using the PEF Program vs. wealthy candidates self-financing. Would be nice to have an accompanying public education campaign.	Yes	Maybe brand candidates who are using the program in some way? Make it more visible who is running a fair campaign.	No		
28	Encouraged small donations.	Can't really think of anything. It is a good idea.	No		No		Don't really know the details of the law or administrative process. Worked ok as far as I could tell.
29	Allowing a common ground for well funded and new comers to meet the community they'll be serving.	The lack of information regarding this program. If did not know of it there is a good chance good candidates did not run for an office.	Yes	More funding to increase the capable field	Yes	Funding and more marketing explaining the program (no robo calls).	