



February 8, 2018

**TO:** House Committee on Rules

**FR:** Charlie Fisher, State Director, Oregon State Public Interest Research Group (OSPIRG)

**RE:** Support - HB 4076

OSPIRG supports HB 4076 because it helps restore balance to Oregon's democracy. According to campaign finance data from 2016 compiled by OSPIRG Foundation, there just over 400 large political donors (defined as those who gave more than \$5,000) to candidates in Oregon who collectively contributed nearly \$9 million. In contrast, there were approximately 29,500 small donors (defined as those who gave less than \$250) who contributed \$2.4 million. That means that just 400 wealthy donors had nearly four times the ability to get the message out for their preferred candidate than all small donors combined. Any way you slice it, small donors and the voices of everyday Oregonians are being significantly drowned out. This disparity undermines the health of our democracy.

OSPIRG Foundation also spoke with Oregonians who have run for office or considered running for office at different levels in Oregon to find out how the role of big money influences races and influences individual decisions whether to run in the first place. What we heard was that the need to raise large sums of money to run a viable campaign dissuaded many people with good ideas and connections to their community from running at all and it prevented others without access to big donors the ability to mount a successful campaign.

One person we spoke to, Ozzie Gonzalez, who lives in Portland and considered running for office, had this to say:

"One of the first advisors I reached out to immediately said, 'The first thing you need to do is start a PAC. You've got to get a good fundraising agency ... you've got to ... focus on reaching out to the key donors that are going to get your political campaign off the ground ... it dissuaded me altogether.'"

Thuy Tran, who owns her own dental practice in Portland and ran for a State House seat in 2012 said:

"Our community in east Portland is very diverse with a lot of immigrants and refugees... Sometimes people do give you what they can, and sometimes it's \$10, \$20. Very few give you \$1,000."

She went on to say:

"I'd like to see a system where candidates are encouraged to ask more people for donations, and not just hoping one person will give them \$1,000 or more. That would level the playing field for people who want to enter a race but don't have money or access to money."

Finally, Kevin Marr, a business owner in Grants Pass who also ran for office summed it up:

"It hurts our whole political system to be so dependent on money."

The good news is that there are solutions available to us. One proven model for restoring balance to democracy is matching small dollar contributions with public funds. The country's largest city – New York – has seen

encouraging success with such a program. During the 2013 general election, the winners of 54 out of the 59 elected positions in New York City participated in the city's small donor matching program.

As a result of the program, funds raised from small donors accounted for over 60 percent of all campaign contributions. This program has encouraged candidates to focus on their own constituents rather than expending energy on wealthy donors that live outside of their districts. And compared to candidates running without matching funds for statewide office, the program demonstrably increased the diversity of donors giving to candidates running for city office where contributions are matched.

According to our analysis, if Oregon matched small donors to candidates in 2016 at a ratio of six to one, small donor money would have actually outweighed large donor money by 50%. So we know that this program would really reshape the landscape of how candidates and voters think about the way our elections are funded.

Finally, we know the public wants action. In a poll from 2015, 75 percent of Oregonians said they believe that those without access to networks of wealthy donors face significant barriers to running for office. And OSPIRG's staff have thousands of conversations with people at their doorsteps every year in Oregon and I can say for certain that one of the top things on people's minds is the influence that big money has in our elections process.

People want to participate and make a difference in the democratic process either as a candidate or as a donor, but too often these people decide not to because they think either they can't run a successful campaign against well-funded candidates or don't think their contribution will make a difference.

Creating a Small Donor Elections program will raise the voices of everyday people, reduce the influence of big money, and ensure that everyone's voice is heard in our government. And perhaps just as important, it will help increase people's belief that our democracy works for them.