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APRIL 25th 2018 TESTIMONY TO VT HOUSE GOV. OPS on S-120

- 1. My name is Rick Hubbard and I'm a South Burlington VT resident, retired attorney, former economic consultant, writer on Democracy reform, and contributor to VPIRG.**
- 2. My position on S-120 is somewhat different than that of VPIRG and our Vermont Secretary of State. I believe S-120 is *of little use if it can be easily circumvented*, especially by those who wish to use contributions way in excess of Vermont norms to vote out those legislators standing up for our broad public interests and vote in those who will support their narrower private interests.**
- 3. So the thrust of my testimony today is *to encourage you to find a way to pass legislation that will actually be effective in protecting Vermont citizens and members of our legislature from the undue influence of outside VT advocacy groups that wish to use THEIR financial leverage to influence law, regulation and policy to serve their narrower vested interests over the common, broad interests of all Vermonters.***
- 4. I recently met with our Vermont Secretary of State, Jim Condos, and asked him, "What safeguards currently prevent an outside of Vermont 501C4 or equivalent single-issue organization from spending massively more than normal in close Vermont House or Senate races in order to tip the balance in our legislature more in favor of their issue?" For example: promoting school choice and vouchers? His response: "Absolutely nothing."**
- 5. HERE'S A REAL WORLD EXAMPLE FROM WISCONSIN.**
 - a. Vermont's House of Representatives districts (150 Representatives) are roughly equivalent to Wisconsin's lower house Assembly Districts. (99 Representatives).**
 - b. Campaign Contributions and Expenditures for Wisconsin Assembly Districts, which are larger than Vermont's, normally total in the \$20,000 to \$30,000 range.**
 - c. In 2014, first-time Republican candidate Todd Novak won the race in Wisconsin's Assembly District 51 by just 59 votes against first-time Democrat Richard "Dick" Cates. *Novak raised a total of \$133,000, of which the American Federation for Children (AFC), a Washington DC based 501C4 non-profit school choice advocacy group funded by Betsy DeVos and others, spent \$123,000 (92%+) to help elect Novak.***

- d. Though officially not allowed to coordinate, they effectively ran his campaign, produced and paid for advertisements and the issues they focused on. Novak did almost nothing. Despite its goal to tip the balance in the Wisconsin legislature more toward support for School Choice, *(they won 6 of the 8 races targeted)* the American Federation for Children almost never ran ads supporting school choice. It went after Cates for his vote on a local school board concerning the Pledge of Allegiance.
- e. **WHAT'S TO PREVENT THIS FROM HAPPENING IN VERMONT?**
6. In my opinion, to prevent this effectively, you must go beyond the influence of corporate money, and instead address the underlying structural campaign financing imbalance that can bias who gets to be elected and reelected, and that also can potentially influence outcomes of law, regulation and policy here in Vermont as well as in other states. *Less than 2% of the Vermont Voter Age Population donate any money at all to VT State Legislative and Gubernatorial Elections. In 2014 this figure was only 1.79%. More than 98% give nothing.*
7. This campaign funding imbalance is an important part of a huge problem we American citizens face today. We declared our independence from Great Britain largely over the issue of *improper representation* and established our U.S. Constitution in 1787 to, in the words of James Madison, “*be independent from outside special interest pressure in order to serve the public good.*” Yet much evidence today documents that nationally, we citizens largely elect good people to represent us in Washington, who then are incentivized to often act in ways that place their own re-election interests, those of their wealthy and influential campaign funders, and those of their political party above the common, broad interests of the American people.
8. *For decades, Congress has resisted passing broad and comprehensive measures to reform the structure and financing of our political process.* Consequently, our Republic and its system of representative democracy are at great risk today. In recent years we have dismantled many of the historical norms of bipartisanship: respect for the views of opponents, and support for public institutions, that helped our system of government work effectively.
9. Our Founding Fathers anticipated this possibility and therefore *placed the responsibility for initiating needed reforms directly with we citizens, through you, our state legislators, in the event of inaction by Congress.* In addressing the issue of corporate contributions, I urge you to take this responsibility seriously and do what is necessary to *broadly strengthen the financing and structure of our political processes* in order to effectively protect our broad public interests. You must be the adults in the room, and I wish you great success. In the words of our former VT governor, Phil Hoff, *this is likely the most important public policy issue of our time, for it goes to the very core of our democracy and representation.*