

Chair Hardy, Vice Chair Vyhovsky and member of the Committee:

Thank you for allowing me to testify before the committee this afternoon.

My name is Bert Johnson. I am a professor of political science at Middlebury College, where I have been on the faculty since 2004. My research concerns campaign finance as well as state and local politics, and I am author of a 2013 book, *Political Giving: Making Sense of Individual Campaign Contributions*.

I'd first like to address the main campaign finance provision in H. 429, as passed by the House, and next comment more broadly about campaign finance laws in Vermont.

Political Party Contributions from Candidates

The key campaign finance change in H.429 is the allowance for a candidate for state office to contribute up to \$60,000 to a political party. For reference, the Vermont Democratic Party reports spending a total of about \$292,000 in the 2022 election cycle, the Vermont Progressive Party spent \$149,000, and the Vermont Republican State Committee reports spending \$60,000.¹

First, I believe it is unlikely that very many candidates will bump up against this limit, at least in the near term. As I have said, state party budgets are relatively modest, suggesting that the parties themselves may not aggressively fundraise for large contributions from candidates. In addition, if we examine categories of campaign finance in which contribution limits are high or nonexistent, we nevertheless do not see large contributions very often. Vermont political parties are allowed to contribute unlimited amounts to candidates, for example, but rarely do contribution amounts exceed a few thousand dollars. In sum, it is difficult to imagine very many candidates routinely sending five-figure checks to their respective political parties.

A second consideration is whether unscrupulous contributors would use the new rules to circumvent existing limits. A contributor might, for instance, give multiple contributions to candidates in the hopes that these candidates would in turn donate to a political party, thereby eluding the \$11,180 limit on contributions from a single source to a political party. This is a possibility, although it is far more common that a party would give to a candidate than the other way around. Furthermore, legal and philosophical concerns about corruption in the United States have more often centered on officeholders than on party organizations. Those in office have more power and authority over policy than does a state party chair.

Alternatively, as others who have testified before this committee have suggested, a prospective contributor who wanted to donate to a party in excess of the \$11,180 limit could declare as a candidate, contribute \$60,000 to their own campaign, which is legal, and then transfer the

¹ The parties spent similar amounts in the 2020 cycle: \$273,000 by the Vermont Democratic Party; \$51,000 by the Vermont Republican State Committee, and \$159,000 by the Vermont Progressive Party. All figures come from December final reports filed with the Vermont Secretary of State's office.

funds to a political party. Although theoretically possible, it seems to me to be unlikely that someone would want to go through the trouble of setting up a campaign committee, filing the required reports, and so on, just to get some extra money to a political party.

The most likely use of this provision is that a candidate with leftover campaign funds can transfer these funds to political parties as they close out their accounts. This happens frequently in the context of federal campaign committees, where candidate committees may make unlimited transfers to party committees.²

One final note on this subject that I should raise as a professor of political science is that this provision can be seen as strengthening political parties and enhancing their ability to engage in Vermont campaigns. Political scientists tend to see such party-strengthening efforts as a positive thing. Although the negative aspects of extreme partisanship get a lot of attention these days, parties do enhance competition, mobilize ordinary people into politics, and make politics easier for people to understand. Increasing the resources available to parties, relative to PACs or outside groups can therefore benefit average voters.

Thoughts on future steps regarding campaign finance

In addition to the specific campaign finance provision before the legislature in H. 429, I'd like to say something briefly about the possibility of future campaign finance changes in Vermont. Any further changes, of course, deserve study and deliberation, and I recognize that the current session is already crowded with policy initiatives.

Corporate contributions. At the federal level and in 22 states, corporations are prohibited from making direct contributions to candidates for office (in most of these states unions are also prohibited from making direct contributions). Vermont has no such limit and might consider altering this policy. For decades, advocates of campaign finance reform have pointed out that the appearance of impropriety may erode trust in the system even if actual corruption is absent, and the federal courts have recognized this 'appearance of corruption' concern as legitimate. An outright ban on corporate contributions is a possibility, but there are options short of this as well. For example, Vermont might set separate contribution limits for corporations, or, as in the case of Washington state, prohibit contributions from corporations that do not do business within the state.³

Public financing. Vermont has a public financing system, but Vermonters could be forgiven for not knowing that it exists. It is only available to candidates for governor and lieutenant governor, and is seldom used. The legislature might consider relaxing some of the rules governing publicly financed candidates to encourage more people to opt into the program. It might also consider broadening the program to candidates for more offices. The political

² See the 2023-2024 federal contribution limits here: <https://www.fec.gov/help-candidates-and-committees/candidate-taking-receipts/contribution-limits/>

³ See <https://www.ncsl.org/elections-and-campaigns/campaign-finance-laws-an-overview>

science perspective on public financing is that it works best to enhance competitiveness if it directs funds to underfunded challengers. Spending or fundraising limits, which often go hand-in-hand with public financing, are less important and in some cases counter-productive.

Enforcement. Vermont's campaign finance disclosure system seems to me to be very good – and the electronic reporting system and database represents a major improvement from what it was 10 or 20 years ago. But enforcement mechanisms for violating campaign finance rules are lacking. The nonprofit Coalition for Integrity ranks Vermont 36th out of all the states on its 'campaign finance index', largely because of its lack of an election agency with the independent authority to investigate violations and issue fines.⁴

In sum, I do not believe the change in candidate contribution limits to parties will result in significant circumvention of existing limits, and it may have benefits for parties and for voters. Beyond what is in H. 429, I do believe a more global reassessment of the campaign finance system in Vermont is warranted.

Thank you again for your attention.

⁴ See <https://www.coalitionforintegrity.org/state-campaign-finance/>