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*Maine Commission on Governmental Ethics
and Election Practices*

2019

MCEA

Report

◆ *A Study Report of the Maine Clean Election Act
Public Financing Program for Political
Candidates for the 2012 - 2018 Elections*

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and the staff members of the Maine Ethics Commission*

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Chapter 1

Executive Summary & Introduction to the MCEA

Executive Summary

This study report on the Maine Clean Election Act (MCEA) program was authored by Candidate Registrar Emma Burke and other employees of the Maine Commission on Governmental Ethics and Election Practices (Ethics Commission). Enacted by Maine voters in 1996, the MCEA was the first system of full public campaign funding available to candidates for state office in the country. The program has provided a public funding option for candidates for the Maine Legislature and Governor since 2000.

This report focuses on recent changes in the operation of the MCEA program during the last four election cycles (2014-2018) resulting from litigation and legislative changes. In 2011, the federal courts eliminated one important component of the public campaign funding available to candidates. Consequently, participation in the program by legislative candidates dropped in 2012 and 2014, and the gubernatorial part of the program was suspended in 2014. Government reform advocates organized a successful citizen initiative in 2015, which increased the public funding available to candidates beginning in the 2016 elections. This resulted in a slight

rebound in candidate participation during 2016 and 2018.

This report examines the amount of campaign funding available to each candidate in the 2008-2014 elections, total payments to all candidates, candidate participation in the program, and how candidates spent MCEA funding. It is divided into five main sections: the executive summary, the overview and history of the MCEA program, the 2012 and 2014 elections, and the 2016 and 2018 elections.

Overall, the report demonstrates:

- The majority of legislative candidates choose to participate in the MCEA program.
- The majority of elected legislators have typically been MCEA candidates.
- The removal of the matching funds component of the program, and decreased payment amounts, in 2012 and 2014 appear to have had a negative effect on MCEA participation rates.
- The passage of the citizen initiative expanding the MCEA program, which took effect in 2016, appears to have

had a slight positive effect on MCEA participation rates.

- The expanded MCEA program, which allows candidates to receive supplemental funding, is more expensive than previous versions of the program, but has remained well within available revenues.
- The expanded program has resulted in more direct campaigning and electioneering, and it has not significantly increased secondary campaign costs such as food and travel costs.

Introduction to the Maine Clean Election Act

The goal of this introduction is to explain *how* the MCEA works and participating candidates are certified to receive public funds for their campaigns through the program. Chapter 2 of the report goes over the history and implementation of the MCEA itself. To review the MCEA's laws and rules, please go to our agency website at www.maine.gov/ethics.

Registration & Declaration of Intent

When legislative and gubernatorial candidates register with the Ethics Commission as MCEA candidates, they must sign a Declaration of Intent, which is their affirmation they will abide by all the laws

and rules of the program. Any qualifying contributions (QCs) collected by a candidate more than five business days before their signed Declaration of Intent is submitted to the Ethics Commission office are not counted as valid.

Once a candidate registers, they are considered to be in the *qualifying period* as *participating candidate*. Participating candidates must become *certified* to receive public funds for their campaigns.

Seed Money

During the qualifying period, participating candidates are allowed to collect and spend a limited amount of campaign contributions to fund their certification efforts. These contributions are referred to as seed money. Seed money contributions can only be donated by individuals, and seed money contributors can give no more than \$100 in seed money to any one MCEA candidate. There are also overall limits on the maximum amount of seed money a candidate may collect. Candidates may not use seed money after they request certification; if they have any seed money remaining it is deducted from their first payment of MCEA funds.

Qualifying Contributions (QCs)

Qualifying contributions, referred to as QCs, are donations of \$5 or more from registered

voters in an MCEA candidate's district. To become certified, an MCEA candidate must collect and submit to the Commission a certain number of QCs to receive public funding for their campaigns. QCs are collected via personal check, cash and money orders, and the Commission's online QC service. The purpose of QCs is for the candidate to demonstrate they have support amongst the constituency of the district they are running for to run as a publicly financed candidate.

Candidates may start collecting QCs January 1st of the election year, and the deadline to submit for certification is April 20th of the election year. QCs are payable to the Maine Clean Election Fund; they are not donations to the candidate's campaign. House candidates must collect and submit at least 60 QCs, while Senate candidates must collect and submit at least 175. Beginning in 2016, candidates can continue to collect QCs up until three weeks before the general election, in effort to receive supplemental funding above and beyond the guaranteed payments they receive for being certified.

Use of MCEA Funds

After an MCEA candidate is certified, they are sent a specific amount of MCEA funds for their campaign.¹ They are allowed to use

¹ The Commission adjusts the amount of MCEA payments every two years based upon the Consumer Price Index.

only MCEA funds for their campaign once certified, and cannot accept donations of any kind from any other source. MCEA candidates are also required to spend their MCEA funds on only directly campaign-related purchases. There are restrictions on how MCEA candidates can pay for secondary campaign expenses, such as mileage reimbursements, food, and staff.

After their last election for the year, MCEA candidates are required to return to the Commission any unspent MCEA funds, as well as the proceeds of the sale of any equipment purchased with public funds.

Audits

The Commission randomly audits 20-25% of all legislative MCEA candidates, along with all gubernatorial MCEA candidates. This is to ensure compliance to the MCEA's requirements, and to help the Commission learn about common mistakes so staff guidance can be bettered in the future.

A preponderance of the audits result in no serious findings of misuse, fraud, or mistakes, meaning the program is used responsibly and as intended by candidates.

Chapter 2

MCEA Program History & Overview

Matching Funds History & Elimination

Matching Funds Overview

From 2000, the first year candidates could participate in the MCEA program, through 2010, a key component of the MCEA program was the disbursements of matching funds. MCEA candidates were able to receive payments of public, matching funds that were disbursed *in addition to* the initial primary and general election payments all MCEA candidates received. The goal of the matching funds component was to disburse the limited amount of public funding available to MCEA candidates in the most efficient and effective method. Therefore, with matching funds, candidates who were in more competitive races had access to greater funding, and candidates who were in less competitive races received lower funding.

Initial payments for elections are based upon the office the candidates are seeking and whether or not the election is contested. Matching funds were based upon the total amount of spending in a specific race, using a formula to evaluate: the amount of funds an MCEA candidate had, and how much money had been spent to support them and oppose

their opponent by third-parties via independent expenditures, *compared to* how much money their opponent had, and how much money had been spent in opposition to the MCEA candidate and in support of their opponent by third-parties via independent expenditures. The amount of matching funds disbursed to an MCEA candidate was limited to twice the amount the MCEA candidate had received for their initial distribution for that election. For instance, if an MCEA candidate had received an initial general election payment of \$4,000, they could receive, at maximum, another \$8,000 in MCEA matching funds for the general election, for a total of \$12,000.

Matching Funds Participation & Payment Amounts

Between 2000-2010, MCEA candidates were eligible to receive a level of campaign funding generally viewed as sufficient, even in the most competitive legislative races. For example, as shown in the chart on the next page, in 2008 and 2010 House and Senate candidates could receive up to a maximum of \$12,432 and \$57,234, respectively, for the general election.

Payment Amounts

2008 & 2010

	House (60 QCs)		Senate (175 QCs)	
	Uncontested	Contested	Uncontested	Contested
Primary (Initial)	<u>\$512</u>	\$1,504	<u>\$1,927</u>	\$7,746
Primary (Matching)		\$3,008		\$15,492
Primary Max		\$4,512		\$23,238
General (Initial)	\$1,658 (2008) \$1,368 (2010)	<u>\$4,144</u>	\$7,631 (2008) \$6,296 (2010)	<u>\$19,078</u>
General (Matching)		\$8,288		\$38,156
General Max		\$12,432		\$57,234

District Court in Maine removed matching funds from the MCEA program permanently.

Prior to the *Arizona* decision, the Maine Legislature had voted to reduce, by 5%, the MCEA payments made

to candidates in 2012. In response to the 5% reduction, and the subsequent elimination of matching funds, the Commission put forward two proposals to help assure MCEA candidates were financially competitive in their races. Both proposals would have allowed for general election payments of MCEA funds, after June of the election year, that were *not* based upon the financial activity of either the candidates' opponents, or third-parties making independent expenditures. Neither proposal was successful, and the 2012 election payment amounts to MCEA House candidates were lower than they were in 2002, and for Senate candidates, lower than they were in 2006.

Participation

Through 2010, this resulted in very high rates of participation in the MCEA program by legislative candidates. Generally, three quarters of candidates for the Maine Legislature opted into the program, as shown in the following table.

	2004	2006	2008	2010
General Election MCEA Participation	78%	81%	81%	77%

Matching Funds Elimination

In 2011, the MCEA program was significantly altered after a U.S. Supreme Court decision on Arizona's public campaign financing program was delivered. The case, *Arizona Free Enterprise Club's Freedom Club PAC v.*

Reduced Campaign Funding Available in 2012 and 2014

Legislative candidates participating in the MCEA program during the 2012 and 2014² elections had access to less funding than in previous elections, due to the elimination of the matching funds component of the program, as well as the 5% reduction in general election payment amounts. The Commission was authorized to make only one payment each for the primary and general election. The payments were based upon the office the candidate was seeking, and whether the election was contested. Candidates were required to request MCEA certification in April, and received their primary payment in late April or early May of the election year, after being successfully certified by the Commission. They would receive their general election payment in late June, once they were successful in the primary election. Candidates were also allowed to raise a small amount of private funds from individuals *prior* to becoming certified, referred to as seed money³, which could not be kept or used past certification. Candidates were not able to receive any other funds after the June payment for the general election. There was concern among some legislators and advocacy groups this would reduce participation in the program,

² There was no MCEA program for gubernatorial candidates in the 2014 election, due to a restriction placed in the State's biennial budget.

and would result in some MCEA candidates being financially unable to compete and run a successful campaign. The payment amounts for both the 2012 and 2014 elections are displayed below.

2012

	House (60 QCs)	
	<i>Uncontested</i>	<i>Contested</i>
Primary	<u>\$486</u>	<u>\$1,429</u>
General	<u>\$1,299</u>	<u>\$3,973</u>
	Senate (175 QCs)	
	<i>Uncontested</i>	<i>Contested</i>
Primary	<u>\$1,831</u>	<u>\$7,359</u>
General	<u>\$5,981</u>	<u>\$18,124</u>

2014

	House (60 QCs)	
	<i>Uncontested</i>	<i>Contested</i>
Primary	<u>\$486</u>	<u>\$1,429</u>
General	<u>\$1,559</u>	<u>\$4,724</u>
	Senate (175 QCs)	
	<i>Uncontested</i>	<i>Contested</i>
Primary	<u>\$1,831</u>	<u>\$7,359</u>
General	<u>\$7,177</u>	<u>\$21,749</u>

2015 Citizen Initiative

After candidate participation in the MCEA program declined in 2012 and 2014, advocacy groups and concerned members

³ House candidates could raise a maximum of \$500 in seed money, Senate candidates a maximum of \$1,500 – the individual contribution limit was \$100.

of the public organized a citizen initiative that would amend the MCEA program to assure MCEA candidates had access to sufficient funding. The citizen initiative was placed on the ballot and was successful in the November 2015 election. The changes took effect for the 2016 election. The citizen initiative changed the amounts of the initial primary and general election payments for candidates, increased the maximum amounts of seed money MCEA candidates could raise and spend, and created a process by which candidates could qualify for and receive supplemental payments.

The process by which candidates are able to receive supplemental funds requires them to continue collecting QCs from registered voters in their district, and then submit them to the Commission. Once a candidate submits the required number of new QCs, they qualify to receive a supplemental payment. MCEA candidates may qualify for up to eight supplemental payments in addition to their initial general election payments. Gubernatorial MCEA candidates may also qualify for up to four supplemental payments for their contested primary elections.

Under this redesign of the program, candidates could qualify for the level of funding they wished, provided they collected

greater numbers of QCs. The amount of public funds disbursed to a candidate depended on their efforts, rather than spending by their opponents or political committees. Thus, the program redesign avoided the constitutional problems of the *Arizona Free Enterprise* decision.

Redesigned MCEA Program (2016 and 2018)

The 2016 election was the first election candidates could submit additional QCs in order to qualify for and receive supplemental payments of MCEA funds. Previously, candidates would have until April 20th of the election year to submit all their QCs. After the passage of the citizen initiative, MCEA candidates were still required to submit the mandatory number of QCs for *certification* by April 20th, but were also allowed to continue submitting additional QCs through the third week *prior to the election*, in order to qualify for supplemental funds. MCEA candidates could also raise and spend *more* seed money prior to becoming certified.⁴ The 2018 election offered the expanded MCEA program for the second time to legislative candidates, and for the first time to gubernatorial candidates. The payment amounts, and the number of QCs required to qualify for supplemental payments are listed

⁴ House candidates could raise a maximum of \$1,000 in seed money, Senate candidates a maximum of \$3,000 – the individual contribution limit was \$100.

on the next two pages. Additional QC amounts are the number of QCs required to receive a supplemental payment that is above and beyond the amount required for certification. For certification, House candidates were required to submit 60 valid QCs, for Senate candidates, 175, and for gubernatorial candidates, 3,200.

2016

Initial Payment Amounts

	House (60 QCs)	
	Uncontested	Contested
Primary	\$500	\$2,500
General	\$1,500	\$5,000
	Senate (175 QCs)	
	Uncontested	Contested
Primary	\$2,000	\$10,000
General	\$6,000	\$20,000

Supplemental Payment Amounts

For each group of 15 additional QCs, a House candidate would qualify for a payment of \$1,250; for each group of 45 additional QCs, a Senate candidate would qualify for a payment of \$5,000.

House		Senate	
15 QCs	\$1,250	45 QCs	\$5,000
30 QCs	\$2,500	90 QCs	\$10,000
45 QCs	\$3,750	135 QCs	\$15,000
60 QCs	\$5,000	180 QCs	\$20,000
75 QCs	\$6,250	225 QCs	\$25,000
90 QCs	\$7,500	270 QCs	\$30,000
105 QCs	\$8,750	315 QCs	\$35,000
120 QCs	\$10,000	360 QCs	\$40,000

2018

Legislative Initial Payment Amounts

	House (60 QCs)	
	Uncontested	Contested
Primary	\$500	\$2,525
General	\$1,525	\$5,075
	Senate (175 QCs)	
	Uncontested	Contested
Primary	\$2,025	\$10,125
General	\$6,075	\$20,275

Legislative Supplemental Payment Amounts

For each group of 15 additional QCs, a House candidate would qualify for a payment of \$1,275; for each group of 45 additional QCs, a Senate candidate would qualify for a payment of \$5,075.

House		Senate	
15 QCs	\$1,275	45 QCs	\$5,075
30 QCs	\$2,550	90 QCs	\$10,150
45 QCs	\$3,825	135 QCs	\$15,225
60 QCs	\$5,100	180 QCs	\$20,300
75 QCs	\$6,375	225 QCs	\$25,375
90 QCs	\$7,650	270 QCs	\$30,450
105 QCs	\$8,925	315 QCs	\$35,525
120 QCs	\$10,200	360 QCs	\$40,600

Gubernatorial Initial Payment Amounts

		Governor (3,200 QCs)	
		<i>Uncontested</i>	<i>Contested</i>
Primary		\$200,000	\$400,000
General		\$600,000	\$600,000

Gubernatorial Supplemental Payment Amounts

For each group of 800 additional QCs, an MCEA candidate for governor in a contested primary would qualify for a payment of \$150,000.

Governor Primary	
800 QCs	\$150,000
1,600 QCs	\$300,000
2,400 QCs	\$450,000
3,200 QCs	\$600,000

For each group of 1,200 additional QCs, an MCEA candidate for governor in the general election would qualify for a payment of \$175,000.

Governor General	
1,200 QCs	\$175,000
2,400 QCs	\$350,000
3,600 QCs	\$525,000
4,800 QCs	\$700,000
6,000 QCs	\$875,000
7,200 QCs	\$1,050,000
8,400 QCs	\$1,225,000
9,600 QCs	\$1,400,000

Chapter 3

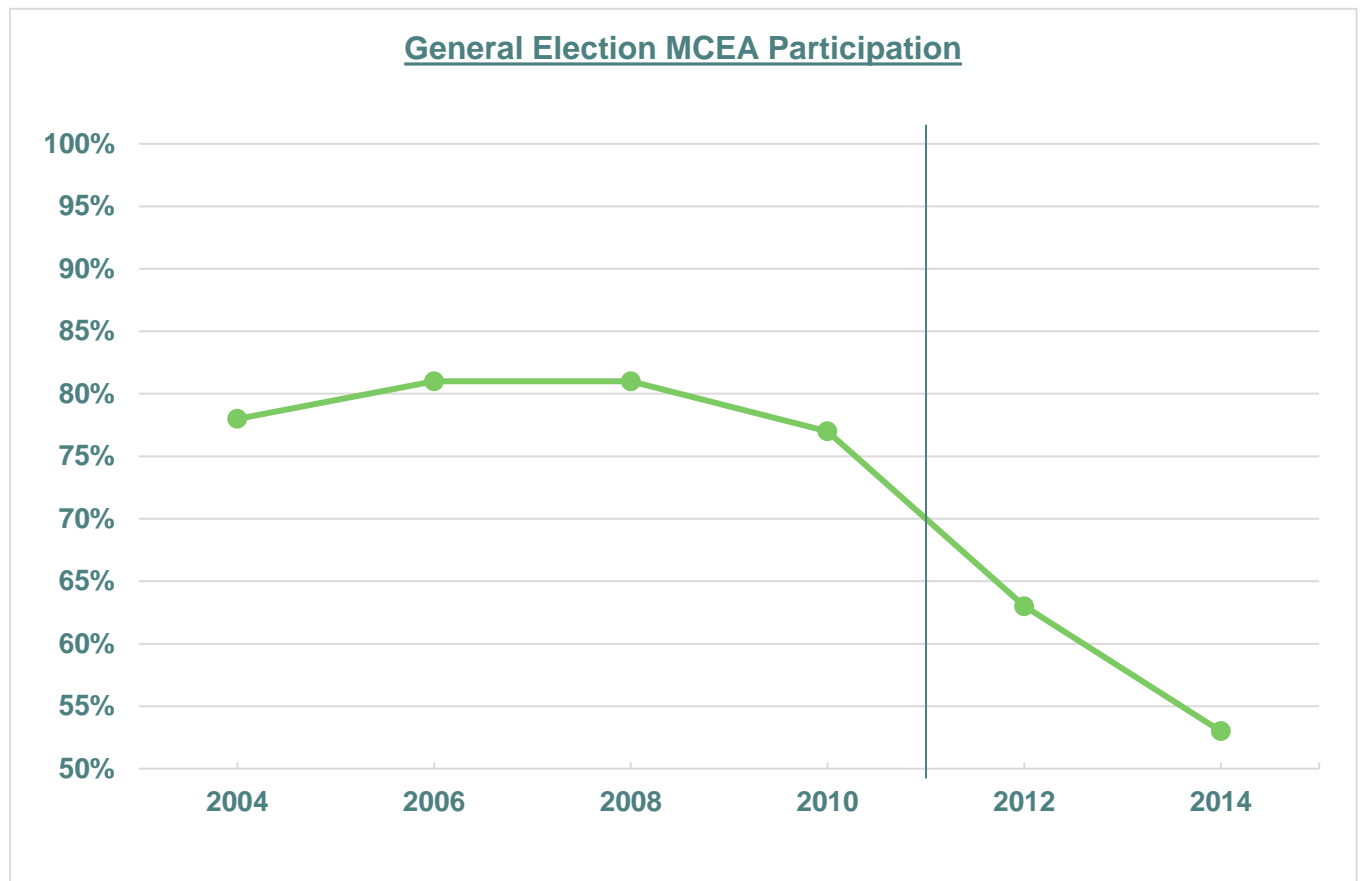
The Elections of 2012 & 2014

Participation

During the 2012 and 2014 elections, participation in the MCEA program dropped significantly, resulting in a 24% reduction in participation in the program by legislative candidates in the 2014 election, compared to the 2010 election. The 53% participation rate in the MCEA program by legislative candidates in 2014 was the lowest participation rate since 2000.

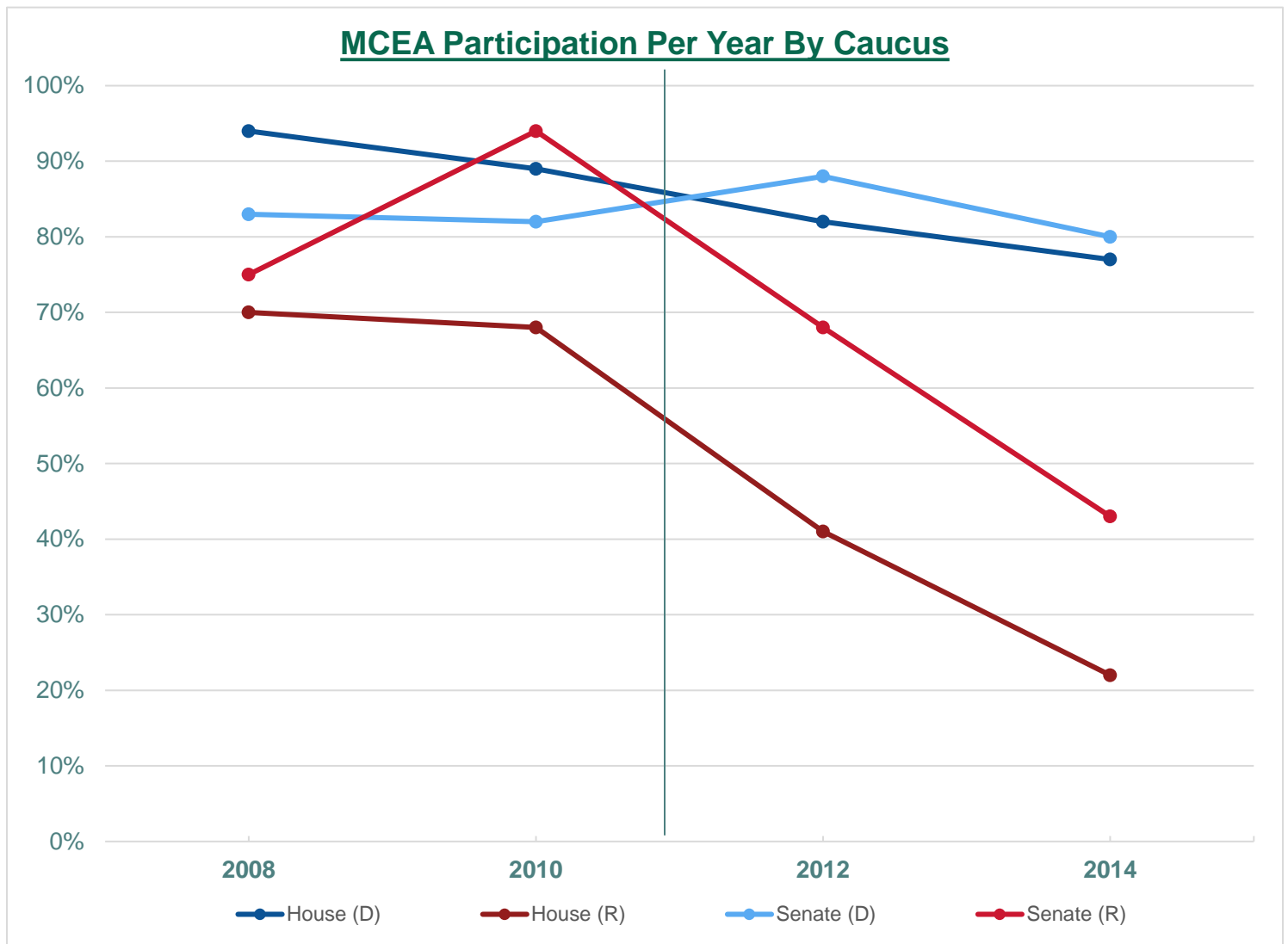
The following table and graph show the percentage of general election candidates during 2004-2014 who chose to participate in the MCEA program. It should be noted the total number of candidates running for the Maine Legislature in those years did not substantially vary.

	2004	2006	2008	2010	2012	2014
General Election MCEA Participation	78%	81%	81%	77%	63%	53%
					-14%	-10%



The table and graph on this page show the rate of participation in the MCEA program by candidates in each party caucus per year. It should be noted that the total number of candidates running as a member of each caucus did not substantially vary across the elections.

	2008	2010	2012	2014
<i>House (D)</i>	94%	89%	82%	77%
<i>House (R)</i>	70%	68%	41%	22%
<i>Senate (D)</i>	83%	82%	88%	80%
<i>Senate (R)</i>	75%	94%	68%	43%
<i>Green & Unenrolled⁵</i>	67%	27%	46%	63%



⁵ This chart does not include candidates in the Green-Independent Party or candidates who were not enrolled in any party.

As can be seen from these data, in the years from 2004 to 2010, general election participation in the MCEA program remained consistent – among all candidates and in each of the party caucuses.⁶ In 2012 and 2014, the rate of participation dropped overall and in most of the party caucuses. Statistical analysis suggests that the reduction in participation rates was not due to chance alone. Only qualitative research (e.g., surveys of candidates who participated in both the 2010 and 2012 elections) could provide more hard evidence concerning the causes of the reduced participation. However, due to the lack of other significant changes in the MCEA program and the steadiness of the participation rates prior to 2012, it is likely the elimination of matching funds with no equitable replacement was a factor in the decrease in participation

Nevertheless, overall participation in the MCEA program by general election candidates has not dropped below 50%, in spite of concern about the feasibility of the program after the 2011 elimination of matching funds. Since 2002, a majority of general election candidates for the Maine Legislature have opted into the MCEA program, making it the preferred financing method of legislative candidates for almost two decades of legislative elections.

⁶ The only outlier is the group of Green and unenrolled candidates, whose much smaller population and absence of a major party structure

Payment Amounts

In the 2012 and 2014 elections, MCEA candidates received two payments of public funds for their elections – one payment for the primary election, and one payment for the general election. These payments were based upon the office the candidates were seeking, and the contested status of their elections, with contested candidates receiving higher payments. Payments were only distributed to candidates once they were *certified* MCEA candidates (*i.e.*, they qualified for public campaign funds by submitting the required number of QCs from registered voters in their district). While candidates were working on certification, they were allowed to raise and spend seed money, a limited amount of contributions collected from individuals with a limit of \$100 per contributor. Seed money could not be kept after certification, meaning candidates who had remaining seed money at the time of their MCEA certification had their first payment of MCEA funds reduced by their remaining seed money balance. Please see the following tables on the next page to see the 2012 and 2014 MCEA payment amounts.

makes their participation rate in the MCEA program much more variable.

2012

	House (60 QCs)	
	Uncontested	Contested
Seed Money	\$500	
Primary	<u>\$486</u>	\$1,429
General	<u>\$1,299</u>	<u>\$3,973</u>

	Senate (175 QCs)	
	Uncontested	Contested
Seed Money	\$1,500	
Primary	<u>\$1,831</u>	\$7,359
General	<u>\$5,981</u>	<u>\$18,124</u>

2014

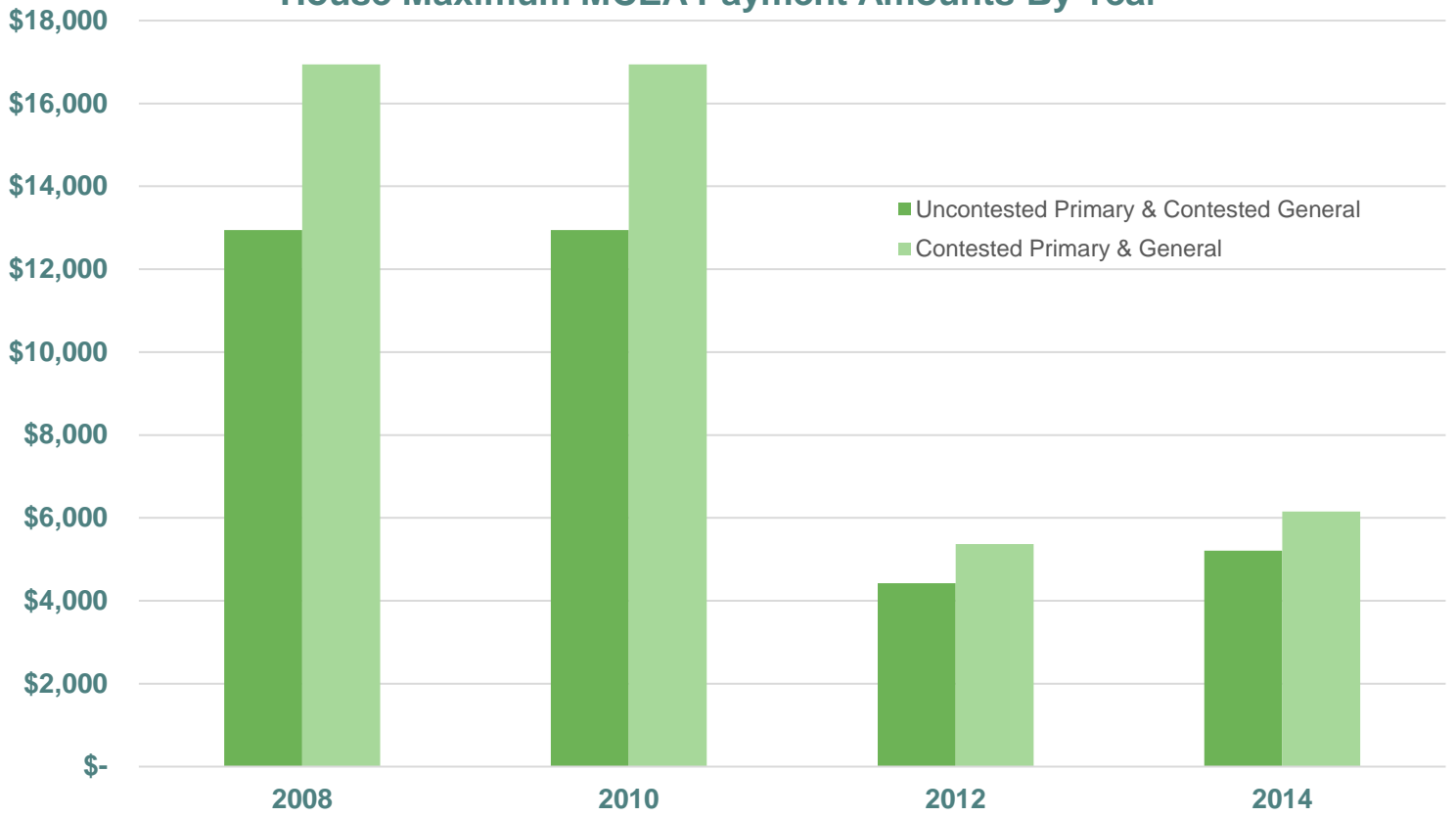
	House (60 QCs)	
	Uncontested	Contested
Seed Money	\$500	
Primary	<u>\$486</u>	\$1,429
General	<u>\$1,559</u>	<u>\$4,724</u>

	Senate (175 QCs)	
	Uncontested	Contested
Seed Money	\$1,500	
Primary	<u>\$1,831</u>	\$7,359
General	<u>\$7,177</u>	<u>\$21,749</u>

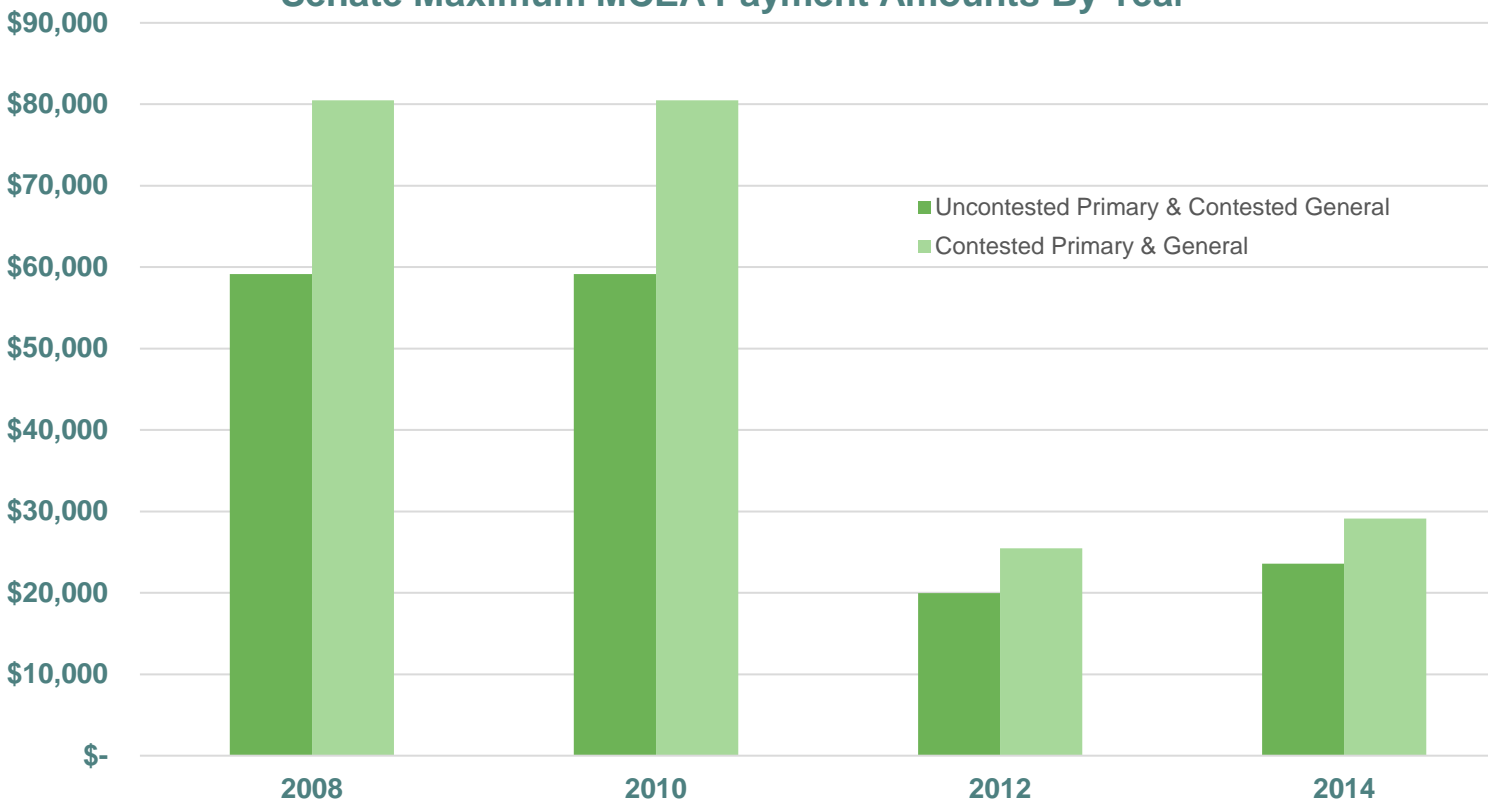
Compared Payment Amounts

The two graphs on the following page illustrate the sharp reduction in public campaign funds available to MCEA candidates in the 2012 and 2014 general elections – after matching funds were eliminated – compared to 2008 and 2010. The maximum funding for which a candidate could qualify in 2012 dropped by approximately two-thirds. The charts exclude general election candidates without an opponent, and candidates who withdrew after or were unsuccessful in the primary election.

House Maximum MCEA Payment Amounts By Year



Senate Maximum MCEA Payment Amounts By Year



Program Costs 2012 & 2014

2012

Total Payments

In 2012, the Commission disbursed a total of approximately \$2,028,978⁷ in MCEA funds to legislative candidates participating in the MCEA program.

Primary Payments		General Payments	
\$293,742		\$1,735,236	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$128,546	\$165,196	\$738,751	\$996,485
Total Payments			
\$2,028,978			

Total Cost⁸

MCEA candidates are required to return to the Commission any leftover MCEA funds in their campaigns' possession, after their final elections for the year. Once these surplus funds are returned, the Commission staff calculates how much was returned and the overall net cost of the MCEA program for that election year.

In 2012, approximately \$154,579 in MCEA surplus funds were returned to the Maine Clean Election Fund. This brought down the total cost of the 2012 MCEA program to \$1,874,399.

Primary Payments		General Payments	
\$293,742		\$1,735,236	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$128,546	\$165,196	\$738,751	\$996,485
Primary Returns		General Returns	
(\$5,132)		(\$149,447)	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
(\$3,146)	(\$1,986)	(\$75,525)	(\$73,922)
Primary Cost		General Cost	
\$288,610		\$1,585,789	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$125,400	\$163,210	\$663,226	\$922,563
Total Cost			
\$1,874,399			

⁷ Because of how the MCEA payment data were stored in 2012, the values for 2012 may not be exact, but are accurate approximates.

⁸ "Total cost" means total payments of MCEA funds to candidates reduced by the amount of unspent funds returned by the candidates; it does include personnel or administrative costs.

2014

Total Payments

In 2014, the Commission disbursed a total of \$1,966,999 in MCEA funds to legislative candidates participating in the MCEA program.

Primary Payments		General Payments	
\$192,817		\$1,774,182	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$78,973	\$113,214	\$686,822	\$1,087,360
Total Payments			
\$1,966,999			

Total Cost⁹

MCEA candidates are required to return to the Commission any leftover MCEA funds in their campaigns' possession, after their final elections for the year. Once these surplus funds are returned, the Commission staff calculates how much was returned and the overall net cost of the MCEA program for that election year.

⁹ "Total cost" means total payments of MCEA funds to candidates reduced by the amount of

In 2014, \$202,945 in MCEA surplus funds were returned to the Maine Clean Election Fund. This brought down the total cost of the 2014 MCEA program to \$1,763,424.

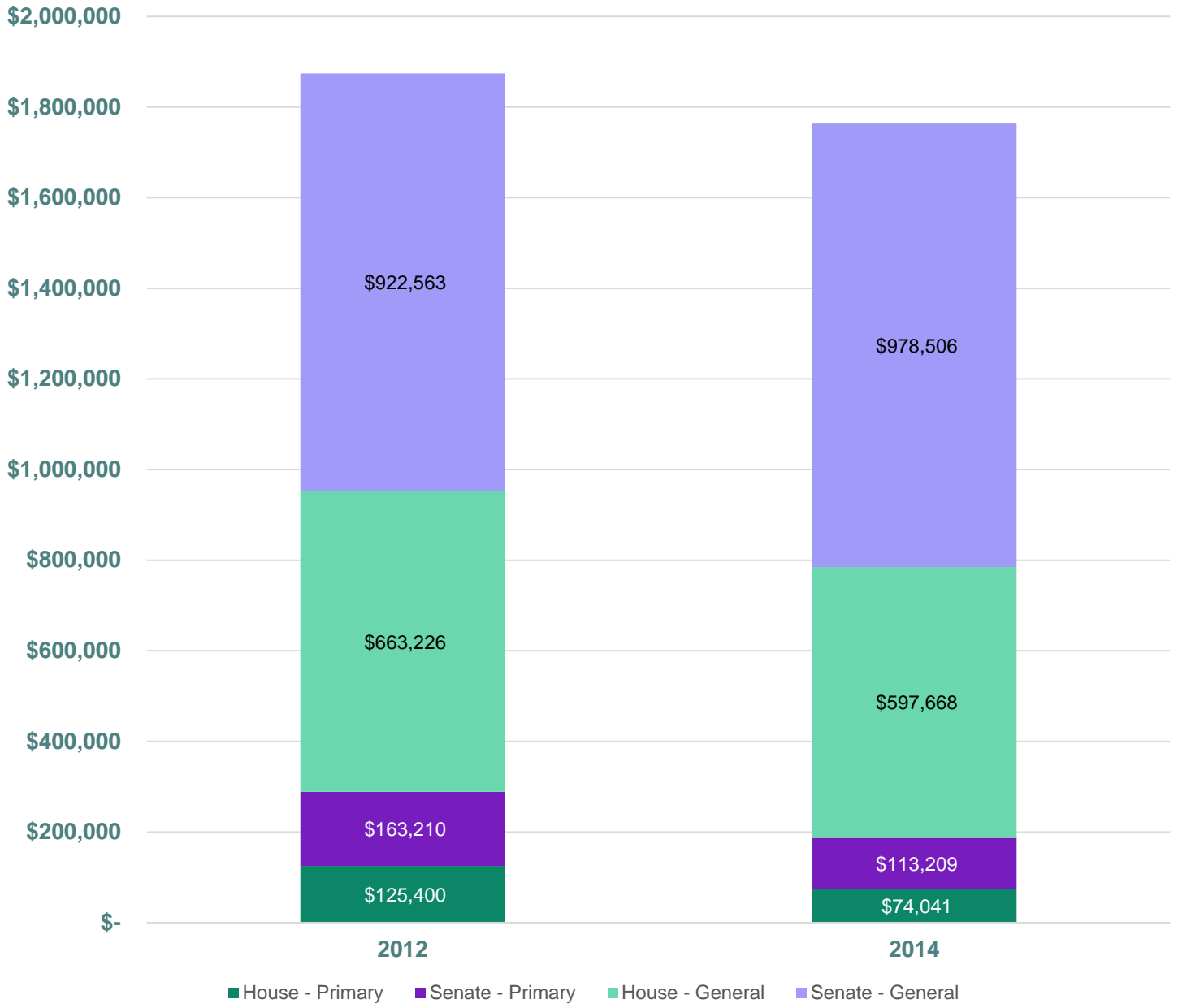
Primary Payments		General Payments	
\$192,817		\$1,774,182	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$78,973	\$113,214	\$738,751	\$996,485
Primary Returns		General Returns	
(\$4,937)		(\$198,008)	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
(\$3,146)	(\$1,986)	(\$89,154)	(\$108,854)
Primary Cost		General Cost	
\$187,250		\$1,576,174	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$74,041	\$113,209	\$597,668	\$978,506
Total Cost			
\$1,763,424			

Compared Costs

The table and graph on the next page display the total costs of the MCEA program for both the 2012 and 2014 elections in a comparative manner. Overall, the 2014 election cost slightly less than the 2012 election, with all categories (by office and election) costing less in 2014 than in 2012, except for the cost of the Senate candidates in the general election, which was greater in 2014 than in 2012.

unspent funds returned by the candidates; it does include personnel or administrative costs.

Compared Costs of 2012 and 2014 Elections

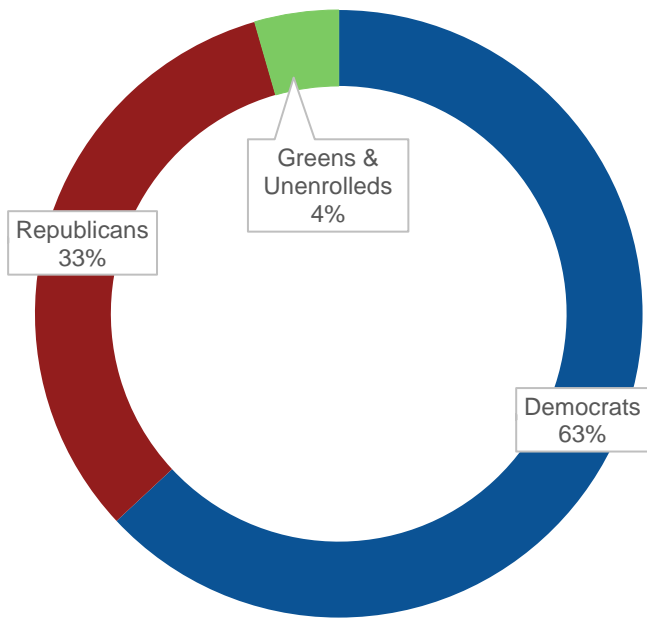


	Total Payments	Difference In Payments	Total Cost	Difference In Cost
2012	\$2,028,978	(\$61,979)	\$1,874,399	(\$110,975)
2014	\$1,966,999		\$1,763,424	

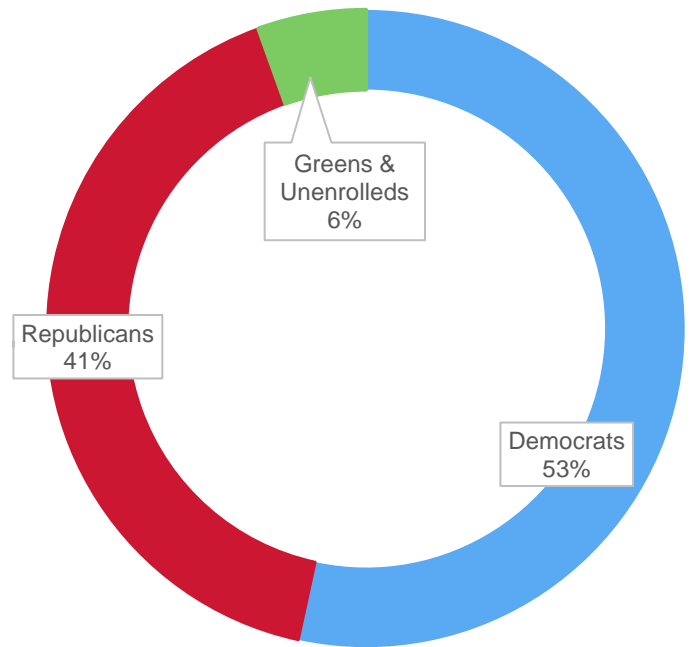
Considering that general election payment amounts *increased* between 2012 and 2014, it is even more noteworthy the 2014 election cost less than the 2012 election. The cause of the reduced cost of the MCEA program in 2014 was the decrease in participation in the program, which, as noted previously in this report, dropped 14% from 2010 to 2012, and then another 10% from 2012 to 2014. Indeed, participation in the MCEA program dropped in all four major party caucuses from 2012 to 2014. The only category that was more expensive in 2014 than in 2012 was the general election cost for Senate candidates; this is because of the increased payment amount to contested general election Senate candidates, even though the number of MCEA Senate candidates was less than in 2012 (52 general election Senate MCEA candidates in 2012, and 43 in 2014).

The pie charts on the following page break down the MCEA costs of the elections by caucuses. Democratic candidates accounted for the majority of the costs of the MCEA program because participation in the MCEA program has consistently been higher among Democrats than Republicans and third-party candidates.

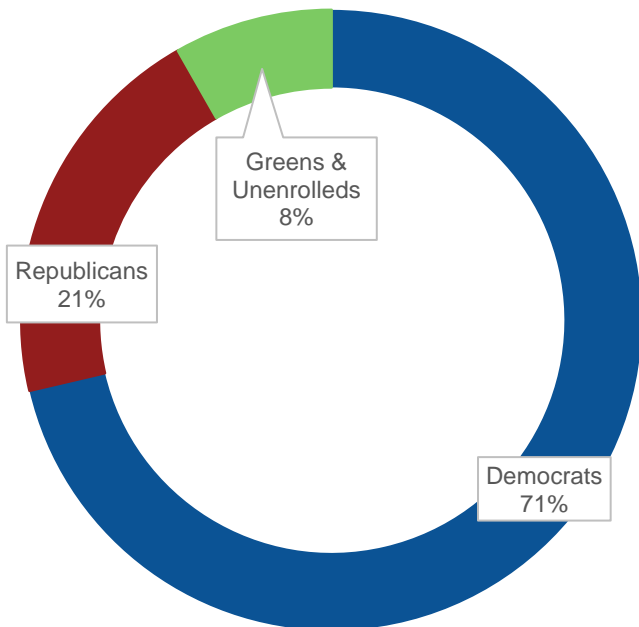
2012 House MCEA Costs



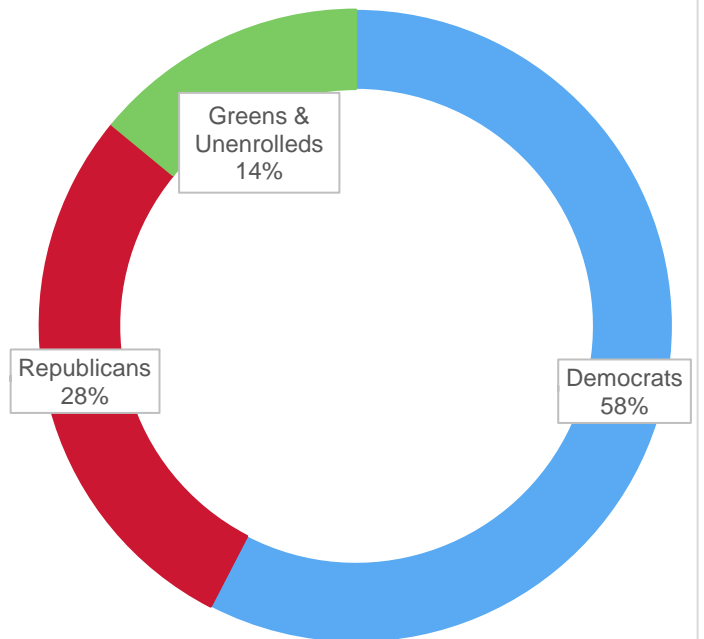
2012 Senate MCEA Costs



2014 House MCEA Costs



2014 Senate MCEA Costs



Expenditure Analyses

Legislative candidates are required to itemize every expenditure in campaign finance reports submitted to the Commission. The candidates report the purpose of each expenditure by assigning a three-letter expenditure type and entering a short description. The graphs and tables in this section show the total spending in each category by 2012 and 2014 MCEA candidates and number of discrete purchases in each category.

The expenditures made by MCEA candidates in the 2012 and 2014 elections were concentrated into the same few expenditure types. Only three expenditure types – printing and graphics (LIT), mail-house services (MHS), and print ads (PRT) – cost more than \$100,000 in each year, with LIT and MHS expenditures far outpacing PRT expenditures. A sizeable majority of MCEA funds were spent on traditional campaign costs, such as mail, palm cards, postcards, other printed materials, yard signs, and printed advertising.

The fourth and fifth most costly expenditure types are postage (POS) and television advertising (TVN). Postage is a frequent expenditure due to the amount of mail candidates send. Purchases of television advertising are less frequent, but in some

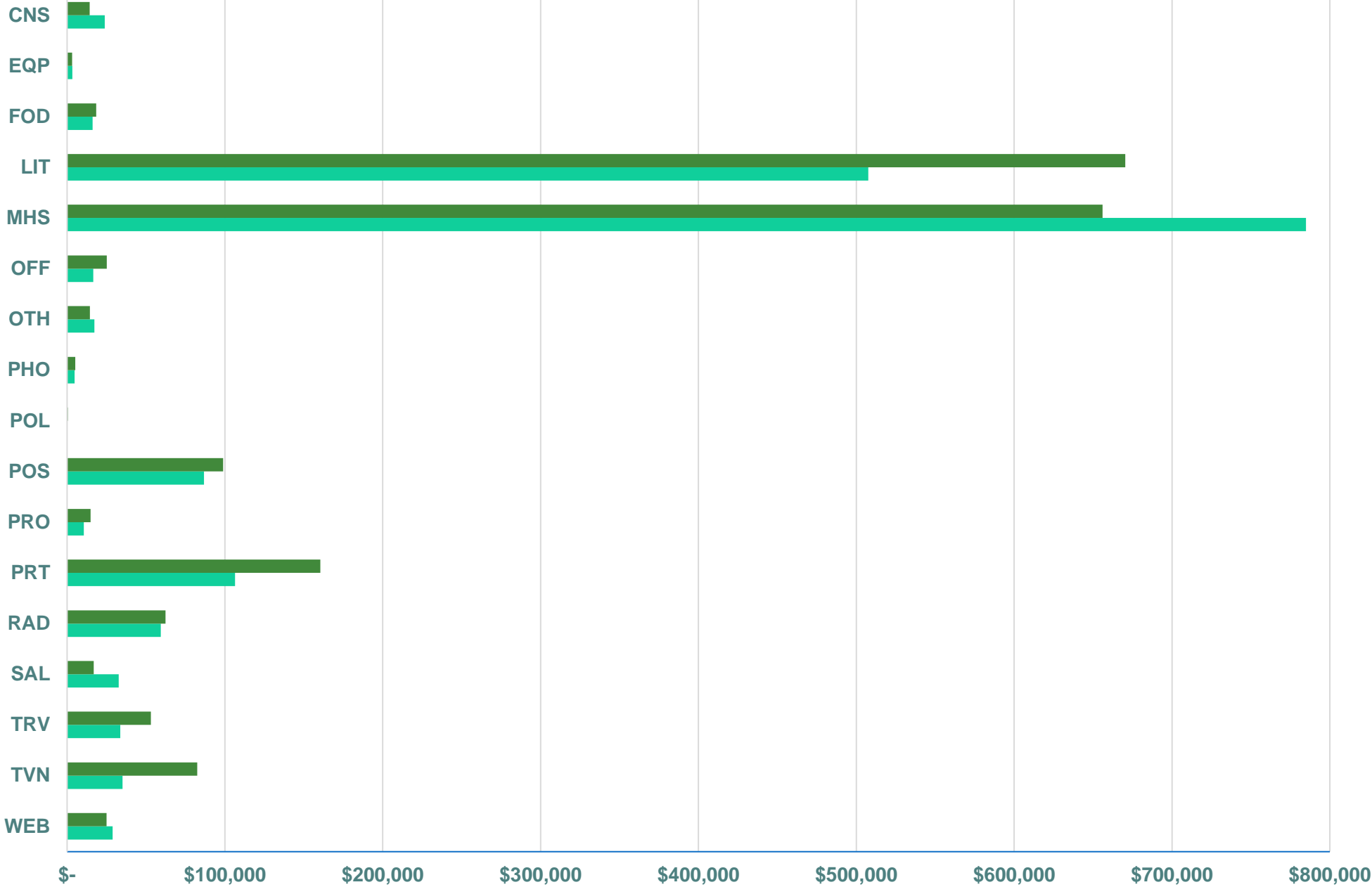
years approach cost of postage due to the large amount of each purchase.

The graphs and tables on the next few pages show, for 2012 and 2014, not only is LIT the second costliest expenditure type (added across both years), but it is also far and away the most frequently reported expenditure type. POS and PRT also retain the distinction as being some of the costliest and most common expenditure types. Conversely, MHS, which is the costliest expenditure type (added across both years), is only the ninth most common expenditure type in both 2012 and 2014. This is because MHS purchases are large, bulk expenditures that are purchased only a few times during a campaign, if that.

Overall, MCEA candidates are spending the large majority of their public funds on traditional forms campaign communications necessary for candidates to get their message out to voters. Other campaign costs, such as food for volunteers and events, travel costs, and campaign staff, are less costly and frequent compared to printed campaign materials and advertisements.

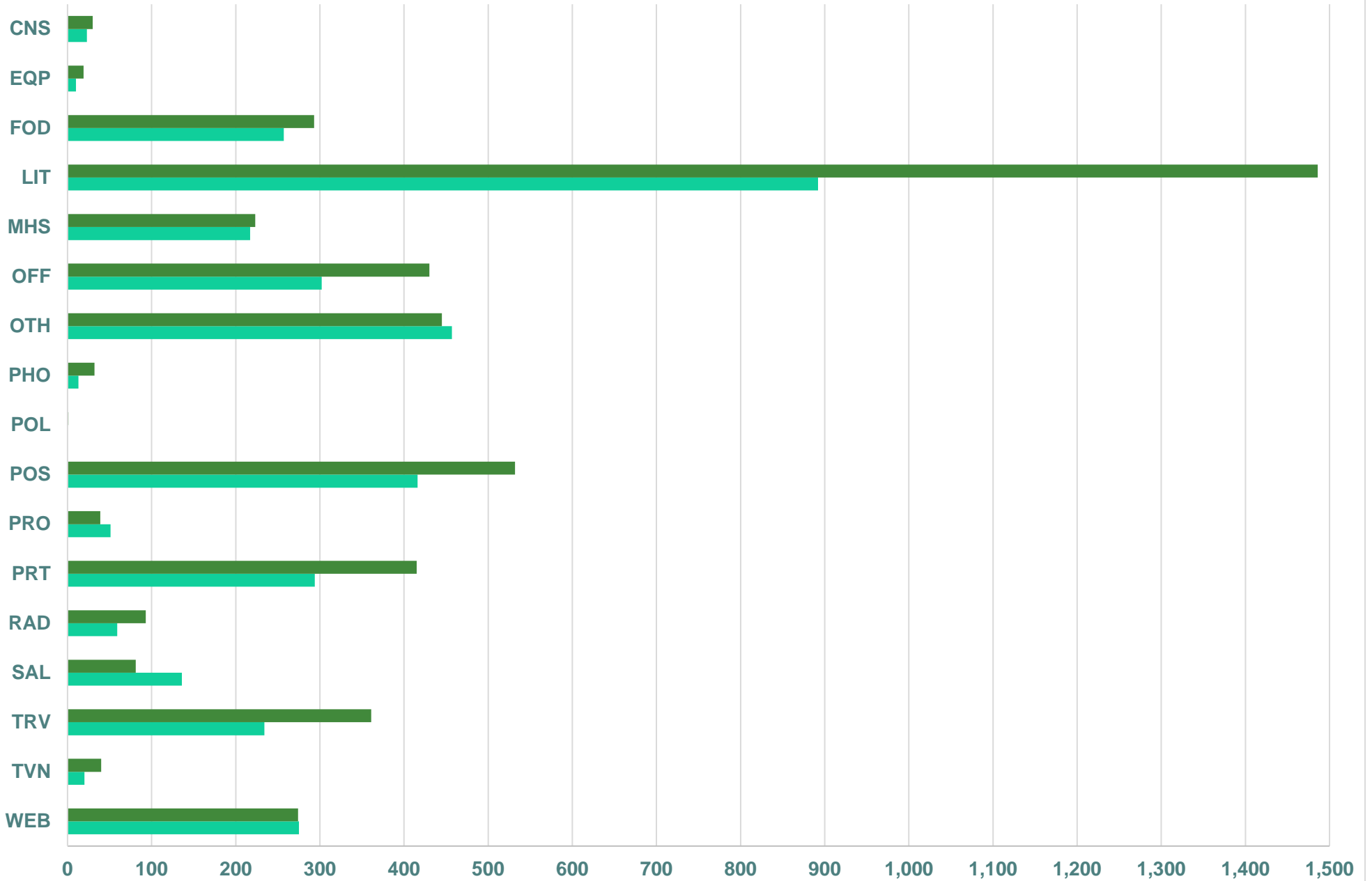
Cost Of MCEA Expenditures By Type For 2012 & 2014

■ 2012 ■ 2014



Number of MCEA Expenditures By Type For 2012 & 2014

■ 2012 ■ 2014



Total Cost By Expenditure Type

	2012	2014
CNS	\$14,346	\$23,900
EQP	\$3,119	\$3,259
FOD	\$18,456	\$16,188
LIT	\$670,343	\$507,540
MHS	\$656,046	\$784,927
OFF	\$25,173	\$16,653
OTH	\$14,494	\$17,234
PHO	\$5,236	\$4,765
POL	\$483	\$0
POS	\$98,832	\$86,749
PRO	\$14,890	\$10,656
PRT	\$160,485	\$106,342
RAD	\$62,368	\$59,303
SAL	\$16,861	\$32,758
TRV	\$53,025	\$33,642
TVN	\$82,515	\$35,115
WEB	\$25,037	\$28,856

Total Number Of Expenditures By Expenditure Type

	2012	2014
CNS	30	23
EQP	19	10
FOD	293	257
LIT	1,486	892
MHS	223	217
OFF	430	302
OTH	445	457
PHO	32	13
POL	1	0
POS	532	416
PRO	39	51
PRT	415	294
RAD	93	59
SAL	81	136
TRV	361	234
TVN	40	20
WEB	274	275

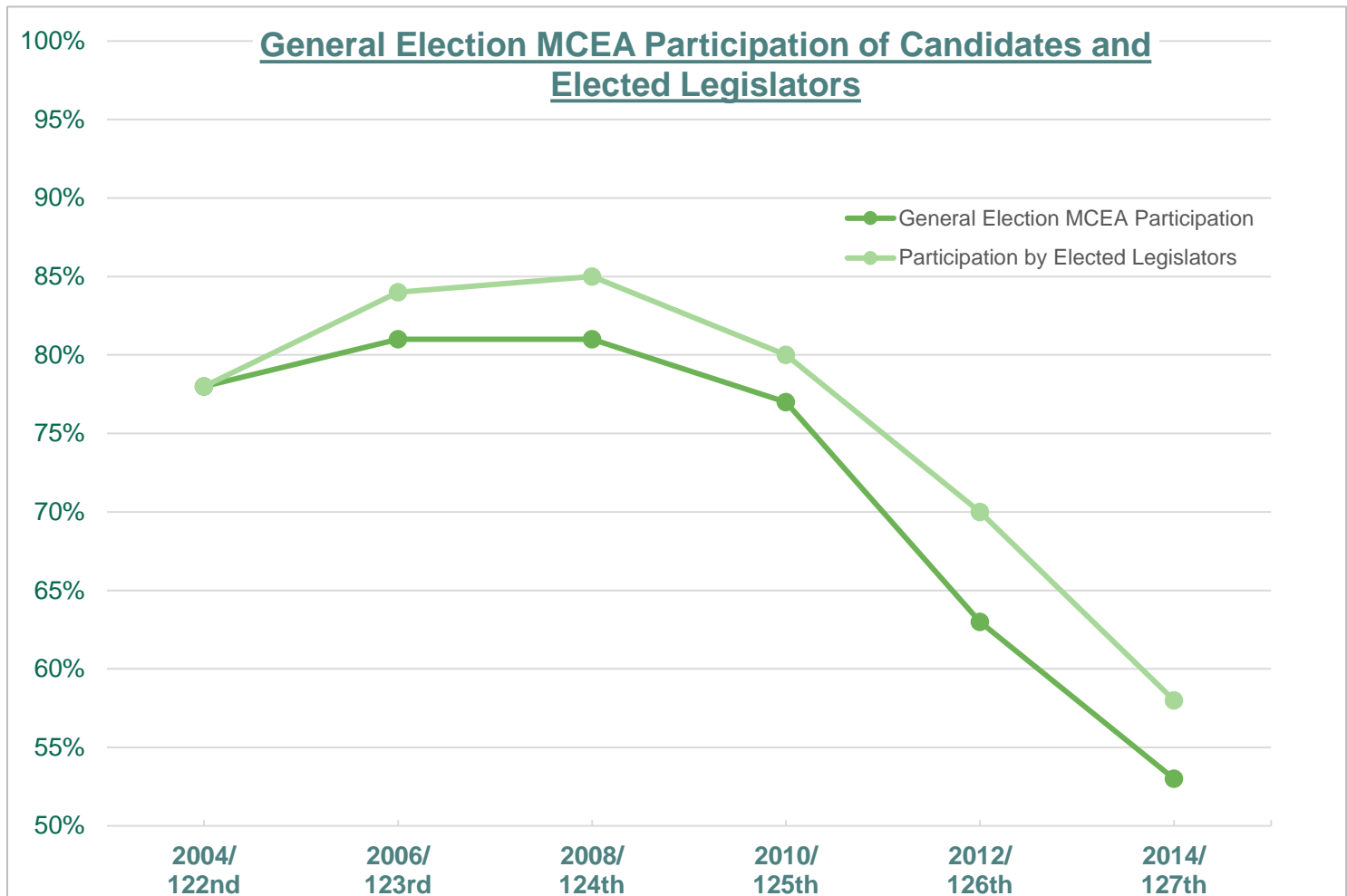
CNS	Campaign consultants	POS	Postage for US Mail and mail box fees
EQP	Equipment (office machines, furniture, cell phones, etc.)	PRO	Other professional services
FOD	Food for campaign events, volunteers	PRT	Print media ads only (newspapers, magazines, etc.)
LIT	Printing and graphics (flyers, signs, palmcards, t-shirts, etc.)	RAD	Radio ads, production costs
MHS	Mail house (all services purchased)	SAL	Campaign workers' salaries and personnel costs
OFF	Office rent, utilities, phone and internet services, supplies	TRV	Travel (fuel, mileage, lodging, etc.)
OTH	Other (bank fees, entrance fees, small tools, wood, etc.)	TVN	TV or cable ads, production costs
PHO	Phone banks, automated phone calls	WEB	On-line advertising, registration, hosting, maintenance, etc.)
POL	Polling and survey research		

Success Using The Program

The rate of *elected* legislators who participated in the MCEA program tends to follow the trend of the rate of legislative candidates who *participated* in the program. The rate of the elected *legislators* who participated in the program has consistently been a few percentage points higher than the rate of *candidates* who participated in the program, regardless of the election's

outcome in relation to which party caucuses won majorities. The MCEA program was a viable option for 2012 and 2014 candidates to run successful campaigns, even with the reduced payments offered by the program in 2012 and 2014.

	2004/122 nd	2006/123 rd	2008/124 th	2010/125 th	2012/126 th	2014/127 th
General Election MCEA Participation	78%	81%	81%	77%	63%	53%
Participation By Election Legislators	78%	84%	85%	80%	70%	58%



Chapter 4

The Elections of 2016 & 2018

The Expanded MCEA Program

Key Elements

In November 2015, Maine voters approved a citizen initiative by a margin 54%-46% that made three changes to the MCEA program:

- 1) Created a new base amount for the primary and general elections' initial payments (that are adjusted every two years based upon inflation).
- 2) Doubled the maximum amount of seed money MCEA candidates are allowed to raise and spend.
- 3) Established an entirely new process by which candidates could collect additional QCs and receive supplemental payments of MCEA funds.

The new system of supplemental payments was designed to replace the role matching funds had played in elections up through 2010. However, the process for qualifying for supplemental payments was entirely unrelated to the spending and financial activity of anyone participating in or influencing the specific election, as that was

the cause for matching funds being ruled unconstitutional. Therefore, the updated MCEA program that developed from the passage of the citizen initiative produced the following requirements and processes:

Seed Money: After registering and prior to qualifying for public campaign funds, MCEA candidates may raise and spend limited campaign contributions from individuals (up to \$100 per donor) to start their campaigns. Seed money must be spent by the time MCEA candidates submit a complete request for certification, which is due by 5:00 p.m. on April 20th for legislative candidates, or April 1st for gubernatorial candidates, of the election year. Extensions of up to one week are allowed for the filing of the Seed Money Report.

The 2015 citizen initiative doubled the maximum amount candidates may collect:

- House Seed Money Limit - \$1,000
(increased from \$500)
- Senate Seed Money Limit - \$3,000
(increased from \$1,500)
- Gubernatorial Seed Money Limit - \$200,000 *(the citizen initiative repealed a minimum seed money requirement of \$40,000 for gubernatorial candidates)*

QCs & Certification: MCEA legislative candidates are allowed to begin collecting QCs on January 1st of the election year. Gubernatorial MCEA candidates may begin collecting QCs on October 15th of the year prior to the election. Any QC that is to count towards the certification requirement must be submitted by 5:00 p.m. on April 20th, for legislative candidates, or April 1st for gubernatorial candidates, of the election year. The number of QCs required to receive MCEA certification did *not* change with the citizen initiative.

Initial Payments: Payments for the primary election are made immediately after certification (typically late April or early May), and payments for the general election are made as soon as feasible after the primary election in June. The citizen initiative changed the standard base initial payment amounts (that are adjusted every two years based upon inflation), whereas previously the payment amounts were based upon previous years' spending averages and inflation.¹⁰

	Primary		General	
	<i>Uncontested</i>	<i>Contested</i>	<i>Uncontested</i>	<i>Contested</i>
House	\$500	\$2,500	\$1,500	\$5,000
Senate	\$2,000	\$10,000	\$6,000	\$20,000
Governor	\$200,000	\$400,000	\$600,000	\$600,000

- House Certification Requirement – 60 QCs
- Senate Certification Requirement – 175 QCs
- Gubernatorial Certification Requirement – 3,200 QCs (*the citizen initiative reduced the required number of QCs from 3,250 to 3,200*)

Supplemental Funds & Additional QCs¹¹:

In order to qualify for supplemental funding, candidates may continue collecting QCs until *three weeks prior to the general election*. When a candidate has submitted the required number of *new* QCs, they will receive a supplemental payment. MCEA candidates may request and receive up to eight supplemental payments for the general election, based on the following QC thresholds:

¹⁰ The initial payments listed in this section are the base initial payments in statute, and also the initial payment amounts for the 2016 election. For every election after 2016, the amounts are adjusted/increased to account for inflation.

¹¹ The supplemental payments listed in this section are the base supplemental payments in statute, and also the supplemental payment amounts for the 2016 election. For every election after 2016, the amounts are adjusted/increased to account for inflation.

House		Senate	
15 QCs	\$1,250	45 QCs	\$5,000
30 QCs	\$2,500	90 QCs	\$10,000
45 QCs	\$3,750	135 QCs	\$15,000
60 QCs	\$5,000	180 QCs	\$20,000
75 QCs	\$6,250	225 QCs	\$25,000
90 QCs	\$7,500	270 QCs	\$30,000
105 QCs	\$8,750	315 QCs	\$35,000
120 QCs	\$10,000	360 QCs	\$40,000

Governor General	
1,200 QCs	\$175,000
2,400 QCs	\$350,000
3,600 QCs	\$525,000
4,800 QCs	\$700,000
6,000 QCs	\$875,000
7,200 QCs	\$1,050,000
8,400 QCs	\$1,225,000
9,600 QCs	\$1,400,000

MCEA gubernatorial candidates may also request and receive up to four supplemental payments for a contested primary election, which are not available to legislative MCEA candidates, based on the QC thresholds below. All additional QCs must be submitted no later than *three weeks prior to the primary election*.

Governor Primary	
800 QCs	\$150,000
1,600 QCs	\$300,000
2,400 QCs	\$450,000
3,200 QCs	\$600,000

Staff Procedure Changes & Responsibilities

Procedure Changes

In previous elections, candidates typically made one submission of QCs to the Commission, and received one payment each for the primary and general elections. In response to the 2015 initiative, the Ethics Commission staff established new processes to administer submissions of additional QCs and supplemental payments of MCEA funds.

Track the exact number of submitted and valid QCs for all candidates, as well as any invalid or erroneous QCs.

- Previously: MCEA candidates were only required to meet one threshold to qualify for MCEA funding (60 QCs for House candidates, 175 QCs for Senate candidates, 3,250 QCs for gubernatorial candidates). Commission staff did not have a need to keep an exact count of QCs submitted by each candidate, provided the candidate met the qualifying threshold.
- Expanded MCEA Program: Keeping track of the exact number of submitted and valid QCs is critical, as candidates qualify for supplemental payments by meeting specific thresholds of QCs.

Manage large increase of submitted QCs over a longer time period.

- Previously: Most staff reviews of QCs ended in April or early May, with a shorter period of QC reviewing in late summer for replacement candidates, and individual reviews were limited to 60 or 175 QCs for legislative candidates.
- Expanded MCEA Program: QC review continues from January through October, with some candidates submitting three times as many QCs as their initial qualifying submission.

Managing numerous submissions of QCs from a single candidate.

- Previously: MCEA candidates would typically make one submission of QCs for the entire election, and in doing so, would submit only one list that documented all QC contributors.
- Expanded MCEA Program: Candidates may submit QCs multiple times over a ten-month period (a twelve-month period for gubernatorial candidates), therefore the Commission staff must consolidate multiple lists of contributors, which to ensure that candidates receive the proper amount of MCEA funds.

Prompt transmission of supplemental payments of MCEA funds when a threshold is met.

- In 2012 and 2014, there were no MCEA payments outside of the two initial

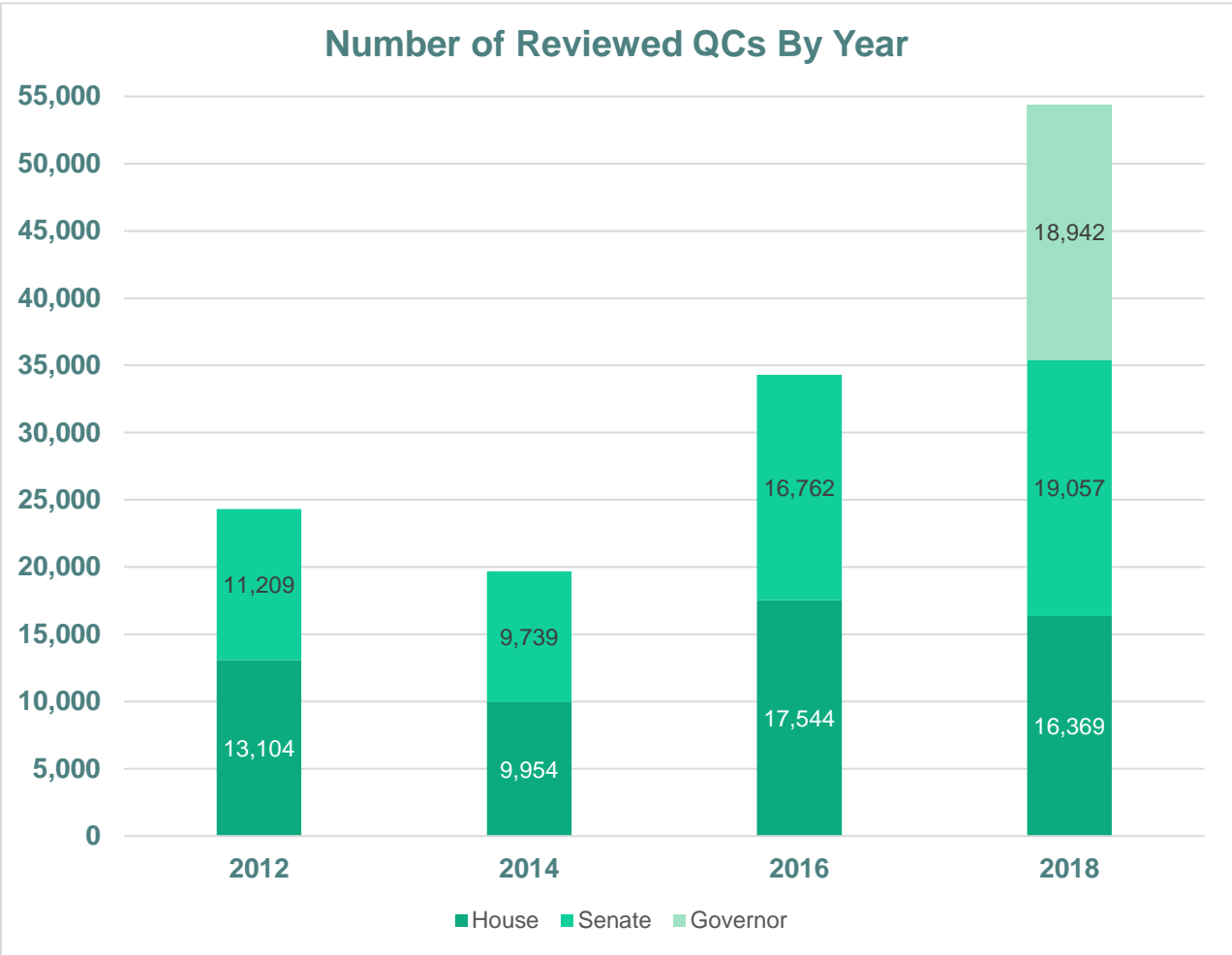
payments for the primary and general election.

- Expanded MCEA Program: The Commission staff would need to send supplemental MCEA payments when specific QC thresholds were met, up to a possible eight supplemental payments per MCEA candidate in the general election, and four per gubernatorial candidate in the primary election.

Some of the new procedures utilized by the Commission staff included an entirely new filing and organizational system, and internal tracking documents designed by the Commission staff to automatically update as staff validate QCs. The Commission staff is continuing to work on improving the methods by which candidates submit QCs and their lists of contributors, to make it as simple and error-free as possible.

Processing of QCs

Every QC submitted to the Ethics Commission is thoroughly and individually reviewed by the Commission staff. The expanded MCEA program greatly increased the number of QCs the Commission staff reviews and validates. The graph on the following page displays the approximate number of QCs reviewed by the Commission staff each year. Please note that 2018 was the only year depicted in which gubernatorial candidates participated in the program.



	2012	2014	2016	2018
Number of QCs Reviewed	24,313	19,693	34,306	54,368
<i>Percentage Increase</i>			+74%	+58% (from 2016) +176% (from 2014)
<i>Number Increase</i>			+14,613	+20,062 (from 2016) +34,675 (from 2014)

to more than 54,000, about a 20,000 increase from 2016. 2016 marked the first time ever the Commission staff was tasked with reviewing

As is displayed in the graph and table, the number of QCs reviewed by the Commission staff increased significantly after the implementation of the expanded MCEA program. The staff processed around 10,000 more QCs in 2016 than they did in 2012, and around 15,000 more in 2016 than 2014. The availability of the gubernatorial program in 2018 increased the number of reviewed QCs

additional QCs, and the majority of QCs are submitted via paper and personal check or money order. Typically, only two or three Commission staff members are responsible for processing the majority of QCs.

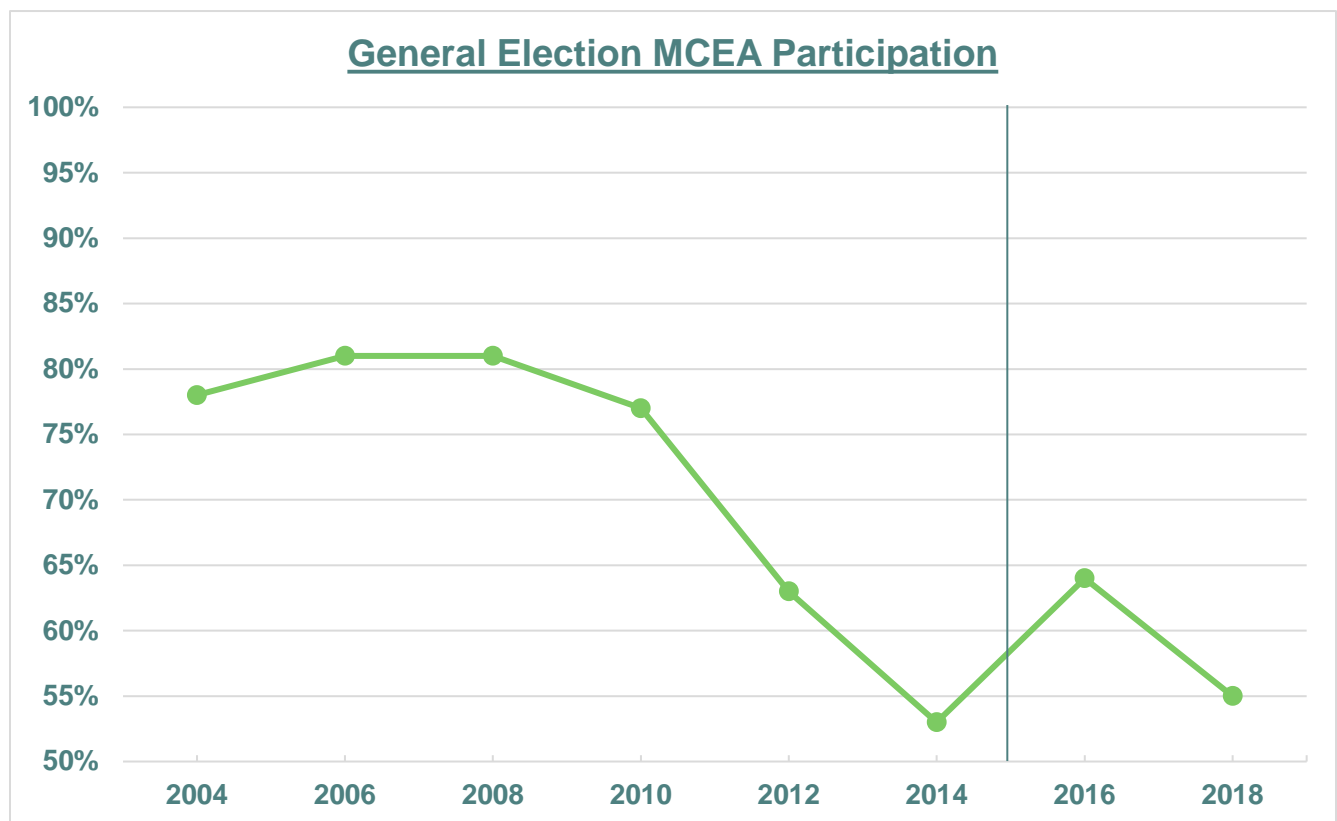
Participation

Legislative Participation

As was noted earlier in this report, legislative participation in the MCEA program dropped significantly in the 2012 and 2014 elections, compared to 2004-2010. Participation in the 2016 and 2018 elections, however, was less predictable. In 2016, the first year supplemental MCEA funds were available, participation in the program rose, as was widely expected. The overall participation rate in the MCEA program in 2016 was 64%,

an increase of 11% from 2014. However, in 2018, the participation rate *dropped* to 55%, down 9% from the previous election, and representing only a 2% increase in participation compared to 2014.

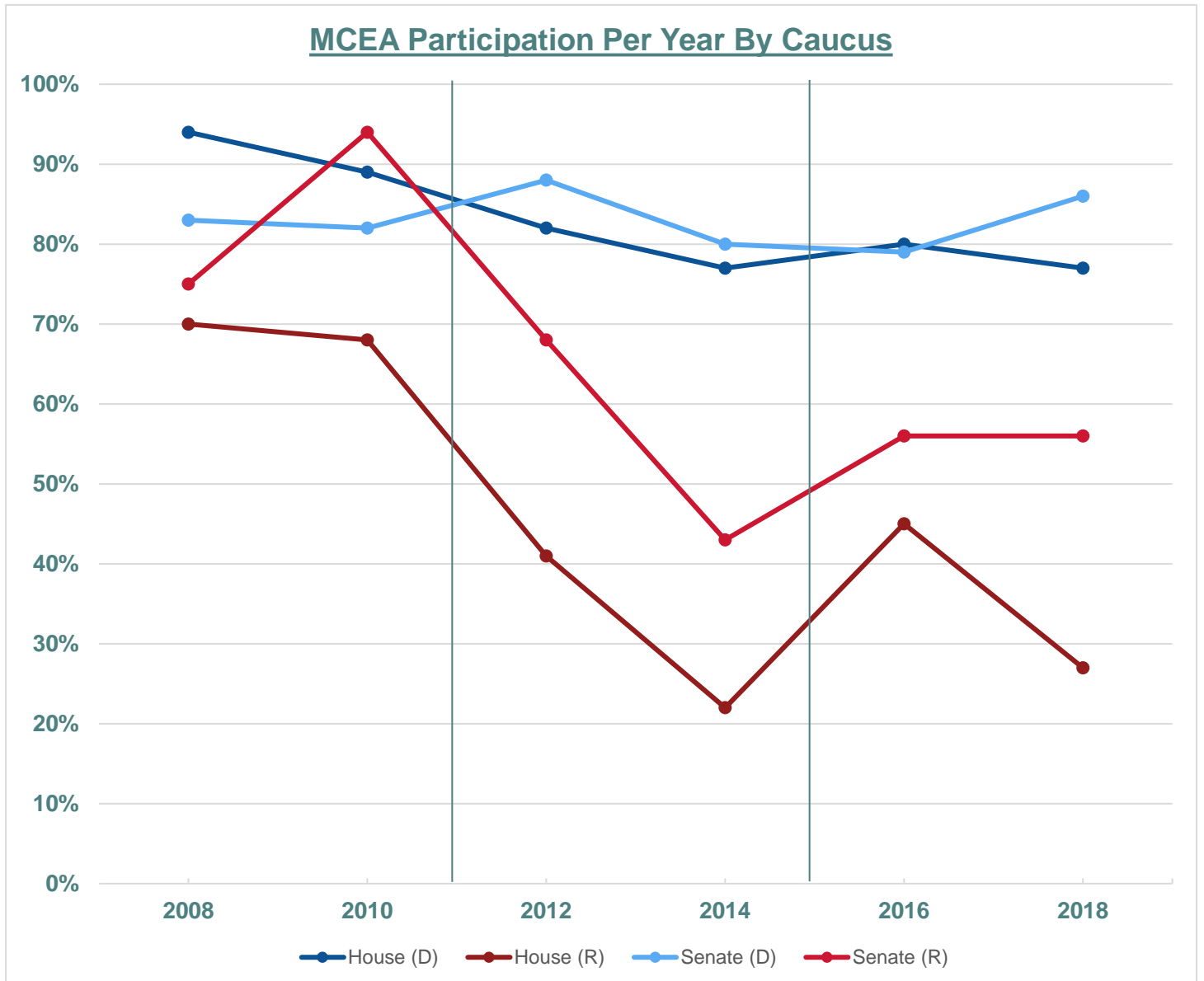
The following table and graph show the percentage of general election candidates in that year who were participating in the MCEA program. It should be noted the total number of candidates running for the Maine Legislature in each general election did not substantially vary.



	2004	2006	2008	2010	2012	2014	2016	2018
General Election MCEA Participation	78%	81%	81%	77%	63%	53%	<u>64%</u>	<u>55%</u>
							+11%	-9% +2% since 2014

The following table and graph show the rate of participation in the MCEA program by party caucus per year. It should be noted the total number of candidates running as a member of each party caucus did not substantially vary across the elections.

	2008	2010	2012	2014	2016	2018
<i>House (D)</i>	94%	89%	82%	77%	80%	77%
<i>House (R)</i>	70%	68%	41%	22%	45%	27%
<i>Senate (D)</i>	83%	82%	88%	80%	79%	86%
<i>Senate (R)</i>	75%	94%	68%	43%	56%	56%
<i>Green & Unenrolled¹²</i>	67%	27%	46%	63%	54%	46%



¹² The Green and unenrolled participation rates are not included in the graph due to the fact those candidates are not members of an official party caucus, and the graph is intended to depict the

participation rate changes amongst the two caucuses of both major parties.

As can be seen from these data, 2016 saw increased participation in the MCEA program among all caucuses, except for the Senate Democrats (one fewer candidate than in 2014 used the program). Interestingly, as mentioned previously, the participation rates *dropped* in three of the four major caucuses in 2018, with the exception again being the Senate Democrats, who had their highest participation rate since 2012.

The table and graph on the previous page delineate the participation rates of the four major party caucuses during three time periods: 2008-2010 (matching funds were available), 2012-2014, (one payment per election), and 2016-2018 (supplemental MCEA payments were available). Overall, the two Democratic caucuses had more consistent MCEA participation rates, with the lowest participation rate being 77% for the House Democrats in both 2014 and 2018 (105/137 candidates and 107/139 candidates, respectively). The highest participation rate across the two Democratic caucuses was 94% for the House Democrats in 2008 (140/149 candidates). The participation rate for Democrats in the MCEA program has stayed within a 13-point margin for the last ten years, regardless of the availability of additional funding. The two Republican caucuses' participation rates have fluctuated to a greater degree. The Senate Republican caucus has had a rate as high as 94% in 2010 (33/35 candidates), and

as low as 43% in 2014 (15/35 candidates), representing a 51-point margin. The House Republican caucus had a participation rate high of 70% in 2008 (92/131 candidates), and a low of 22% in 2014 (32/144 candidates), representing a 48-point margin. Essentially, the two Democratic caucuses share similar participation rates across the last ten years, with the rates being consistently high. The two Republican caucuses are relatively consistent with the *trend* of their participation rates, but not with the rates themselves. To clarify, both Republican caucuses had higher participation in the matching funds years (2008-2010), then had steep declines in participation in years in which no additional funds were available (2012-2014), and then saw increases beginning in 2016 when supplemental funds became available. The participation rate for the House Republicans has never exceeded the rate for the Senate Republicans, and the two rates are generally more than ten points apart. The shared participation rate *trend* between the two Republican caucuses ceased in 2018, when the Senate Republican rate stayed the same as 2016 (56%), but the House Republican rate dropped 18 points, from 45% in 2016 to 27% in 2018 (60/134 candidates and 37/138 candidates, respectively).

In summation, it appears after the expansion of the MCEA program, first offered in 2016, overall participation in the MCEA program

has slightly picked back up. The reduction in participation in 2018, from 63% in 2016 to 55% in 2018, is mostly due to the significant participation rate reduction on behalf of the House Republican caucus. Analyses of future elections, in 2020 and 2022, will provide further insight as to whether participation in the MCEA program will continue to increase.

Gubernatorial Participation

The 2018 election marked the first election since 2010 in which gubernatorial candidates could participate in the MCEA program.¹³ In total, 31 candidates registered with the Ethics Commission to run for governor, with 11 of those candidates initially registering as MCEA candidates. Ultimately, 12 candidates would succeed in appearing on the ballot; seven Democrats on the primary ballot, four Republicans on the primary ballot, and one unenrolled candidate on the general ballot. Three¹⁴ of these candidates were certified to participate in the MCEA program: one Democrat, one Republican, and one unenrolled. Both the Democratic and Republican MCEA candidates were unsuccessful in the primary election, with a traditionally financed candidate winning each party's primary election. There was one

unenrolled MCEA candidate in the gubernatorial general election.

Payment Amounts

In the 2016 and 2018 elections, MCEA candidates received two initial payments of public funds for their elections – one initial payment for the primary election, and one initial payment for the general election. These payments were based upon the office the candidates were seeking, and the contested status of their elections, with contested candidates receiving higher payments. Additionally, due to the expansion of the MCEA program, any MCEA candidate in a *contested general election* could continue to collect and submit QCs after the April certification deadline, in order to qualify for supplemental funding. MCEA candidates could qualify for and receive up to eight supplemental payments. The amount of each supplemental payment is dependent upon the office the candidate is seeking.

While candidates were working on certification, they were allowed to raise and spend seed money, a limited amount of funds raised privately from individuals with a limit of \$100 per contributor. Candidates could not retain seed money after certification, meaning candidates who had

¹³ The gubernatorial program of the MCEA was suspended for 2014 via the biennial budget.

¹⁴ Only one individual who initially registered as an MCEA candidate and who was not certified (and changed to a traditionally financed candidate) qualified to be on the primary election ballot.

remaining seed money at the time of their MCEA certification had their first payment of MCEA funds reduced by their seed money balance. Please see the following tables to see the funding amounts.

2016

Legislative Seed Money & Initial Payment Amounts

	House (60 QCs)	
	Uncontested	Contested
Seed Money	\$1,000	
Primary	<u>\$500</u>	\$2,500
General	<u>\$1,500</u>	<u>\$5,000</u>

	Senate (175 QCs)	
	Uncontested	Contested
Seed Money	\$3,000	
Primary	<u>\$2,000</u>	\$10,000
General	<u>\$6,000</u>	<u>\$20,000</u>

Legislative Additional QC & Supplemental Payment Amounts

House		Senate	
15 QCs	\$1,250	45 QCs	\$5,000
30 QCs	\$2,500	90 QCs	\$10,000
45 QCs	\$3,750	135 QCs	\$15,000
60 QCs	\$5,000	180 QCs	\$20,000
75 QCs	\$6,250	225 QCs	\$25,000
90 QCs	\$7,500	270 QCs	\$30,000
105 QCs	\$8,750	315 QCs	\$35,000
120 QCs	\$10,000	360 QCs	\$40,000

2018

Legislative Seed Money & Initial Payment Amounts

	House (60 QCs)	
	Uncontested	Contested
Seed Money	\$1,000	
Primary	<u>\$500</u>	\$2,525
General	<u>\$1,525</u>	<u>\$5,075</u>

	Senate (175 QCs)	
	Uncontested	Contested
Seed Money	\$3,000	
Primary	<u>\$2,025</u>	\$10,125
General	<u>\$6,075</u>	<u>\$20,275</u>

Legislative Additional QC & Supplemental Payment Amounts

House		Senate	
15 QCs	\$1,275	45 QCs	\$5,075
30 QCs	\$2,550	90 QCs	\$10,150
45 QCs	\$3,825	135 QCs	\$15,225
60 QCs	\$5,100	180 QCs	\$20,300
75 QCs	\$6,375	225 QCs	\$25,375
90 QCs	\$7,650	270 QCs	\$30,450
105 QCs	\$8,925	315 QCs	\$35,525
120 QCs	\$10,200	360 QCs	\$40,600

Gubernatorial Candidates Seed Money & Initial Payment Amounts

	Governor (3,200 QCs)	
	Uncontested	Contested
Seed Money	\$200,000	
Primary	<u>\$200,000</u>	<u>\$400,000</u>
General	<u>\$600,000</u>	<u>\$600,000</u>

Gubernatorial Additional QC & Supplemental Payment Amounts

Governor Primary	
800 QCs	\$150,000
1,600 QCs	\$300,000
2,400 QCs	\$450,000
3,200 QCs	\$600,000

Governor General	
1,200 QCs	\$175,000
2,400 QCs	\$350,000
3,600 QCs	\$525,000
4,800 QCs	\$700,000
6,000 QCs	\$875,000
7,200 QCs	\$1,050,000
8,400 QCs	\$1,225,000
9,600 QCs	\$1,400,000

Compared Payment Amounts

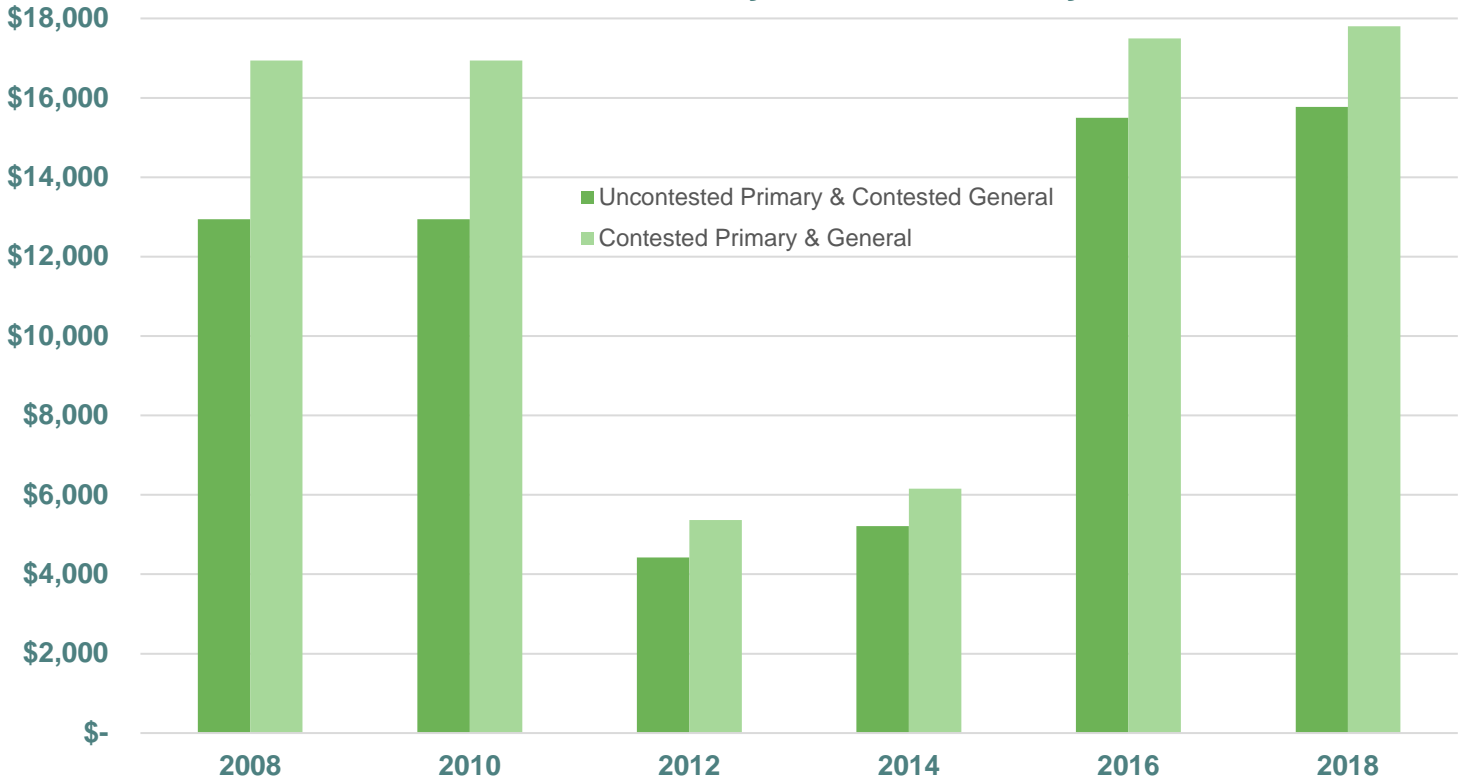
The graphs on the next page display the maximum payment amounts from 2008-2018 for two different categories of candidates, depending whether their primary elections were contested. This graph does *not* include candidates who did not have an opponent in their general elections. These graphs also do not account for candidates who were unsuccessful in the primary, or withdrew after the primary, or replacement candidates in the general election who did not participate in the primary.

As the graphs show, the maximum MCEA payment amounts in 2016 and 2018 returned

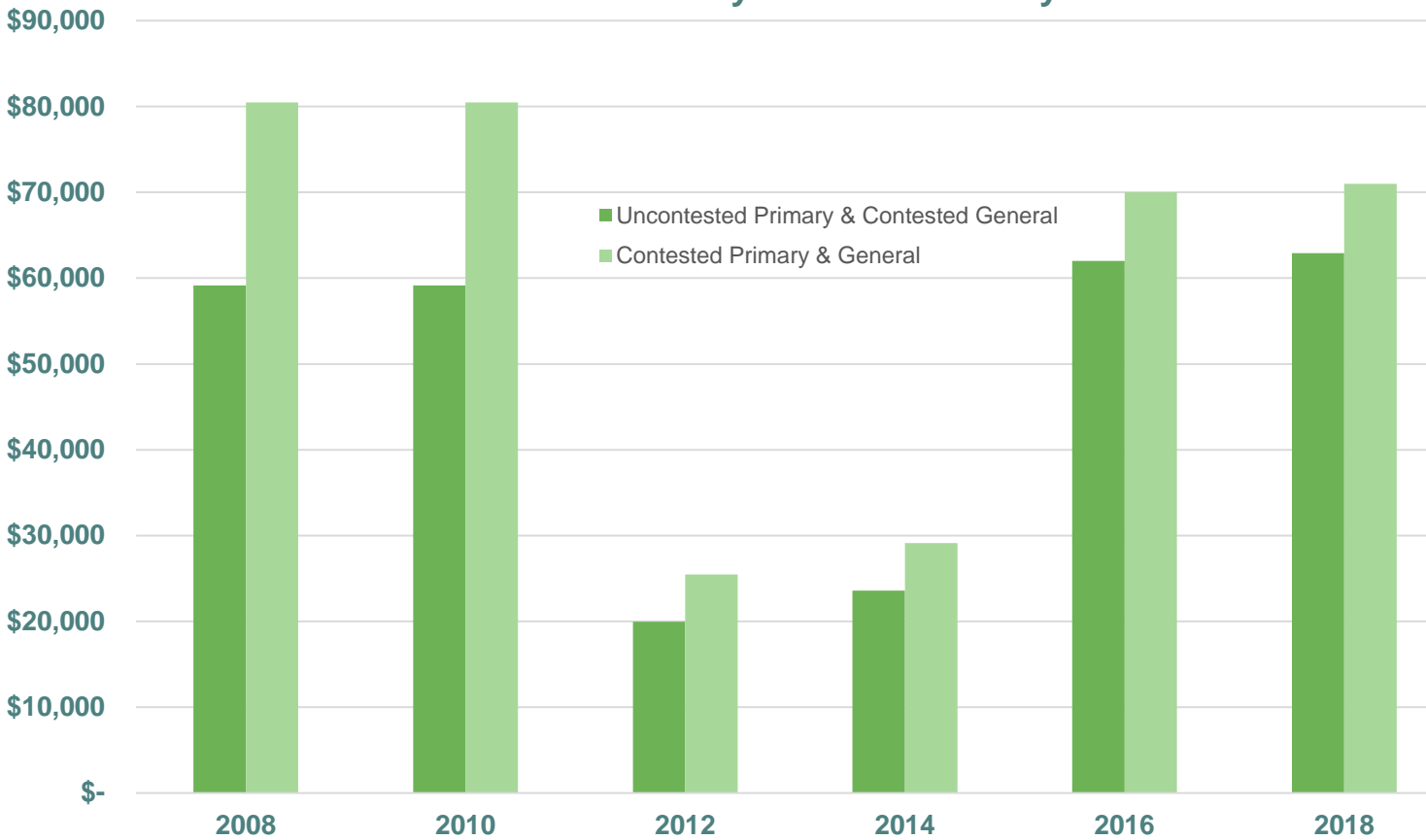
to levels similar in 2008-2010, when matching funds were available. The payment amounts for all candidates in any type of election combination are slightly greater with the expanded MCEA program compared to the matching funds program, except for Senate candidates who have contested primaries *and* contested generals. Those Senate candidates have access to about \$10,000 less in funding with the expanded program than with the matching funds program. Essentially, the matching funds program made more funds available to candidates in contested primaries, compared to candidates with uncontested primaries in the same election year, than the expanded program does. This can be seen in the differences in the heights of the first two columns for 2008, 2010, 2016, and 2018.

It is important to note, in reviewing the graphs on the following page, that the Commission was required to pay matching funds to eligible candidates whether they wanted to receive them or not; whereas, under the expanded MCEA program, it was optional for candidates to seek supplemental funding and the amount of supplemental funds paid to candidates was determined by the candidates' voluntary efforts.

House Maximum MCEA Payment Amounts By Year



Senate Maximum MCEA Payment Amounts By Year



Program Costs For 2016 & 2018

2016

Total Payments

In 2016, the Commission disbursed a total of \$3,344,830 in MCEA funds to legislative candidates participating in the MCEA program. Please see the following charts for payment data breakdowns. Supplemental payments are included in the total for general payments.

Primary Payments		General Payments	
\$355,301		\$2,989,529	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$144,384	\$210,917	\$1,298,554	\$1,690,975
Total Payments			
\$3,344,830			

In 2016, \$373,765 in MCEA surplus funds were returned to the Maine Clean Election Fund. This brought down the total cost of the 2016 MCEA program to \$2,952,828.

Primary Payments		General Payments	
\$355,301		\$2,989,529	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$144,384	\$210,917	\$1,298,554	\$1,690,975
Primary Returns		General Returns	
(\$18,237)		(\$373,765)	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
(\$4,545)	(\$13,692)	(\$181,776)	(\$191,989)
Primary Cost		General Cost	
\$337,064		\$2,615,764	
<i>House</i>	<i>Senate</i>	<i>House</i>	<i>Senate</i>
\$139,839	\$197,225	\$1,116,778	\$1,498,986
Total Cost			
\$2,952,828			

Total Cost¹⁵

After their final elections for the year, MCEA candidates are required to return to the Commission any unspent MCEA funds. Once these surplus funds are returned, the Commission staff calculates how much was returned and the overall net cost of the MCEA program for that election year.

unspent funds returned by the candidates; it does include personnel or administrative costs.

¹⁵ "Total cost" means total payments of MCEA funds to candidates reduced by the amount of

2018

Total Payments

In 2018, the Commission disbursed a total of \$6,280,513 in MCEA funds to legislative and gubernatorial candidates participating in the MCEA program. Please see the following charts for payment data breakdowns.

Primary Payments			General Payments		
\$1,934,681			\$4,345,832		
<i>House</i>	<i>Senate</i>	<i>Governor</i>	<i>House</i>	<i>Senate</i>	<i>Governor</i>
\$141,612	\$195,058	\$1,598,011	\$1,237,808	\$1,983,024	\$1,125,000
Total Payments					
\$6,280,513					

Total Cost¹⁶

Primary Payments			General Payments		
\$1,934,681			\$4,345,832		
<i>House</i>	<i>Senate</i>	<i>Governor</i>	<i>House</i>	<i>Senate</i>	<i>Governor</i>
\$141,612	\$195,058	\$1,598,011	\$1,237,808	\$1,983,024	\$1,125,000
Primary Returns			General Returns		
(\$17,966)			(\$408,081)		
<i>House</i>	<i>Senate</i>	<i>Governor</i>	<i>House</i>	<i>Senate</i>	<i>Governor</i>
(\$5,267)	(\$9,202)	(\$3,497)	(\$206,168)	(\$201,913)	(\$0)
Primary Cost			General Cost		
\$1,916,715			\$3,937,751		
<i>House</i>	<i>Senate</i>	<i>Governor</i>	<i>House</i>	<i>Senate</i>	<i>Governor</i>
\$136,345	\$185,856	\$1,594,514	\$1,031,640	\$1,781,111	\$1,125,000
Total Cost					
\$5,854,466					

In 2018 \$426,047 in MCEA surplus funds were returned to the Maine Clean Election Fund. This brought down the total cost of the 2018 MCEA program to \$5,854,466.

Supplemental Payments

When the expansion of the MCEA program passed in 2015, there was some concern if

the majority of MCEA candidates received the maximum funding available the

costs of the program would exceed available revenue. The actual use of the supplemental

payments, as depicted in the graph on the next page, demonstrates few candidates qualified for and received all eight available payments of supplemental funds. The graph displays the percentage of contested

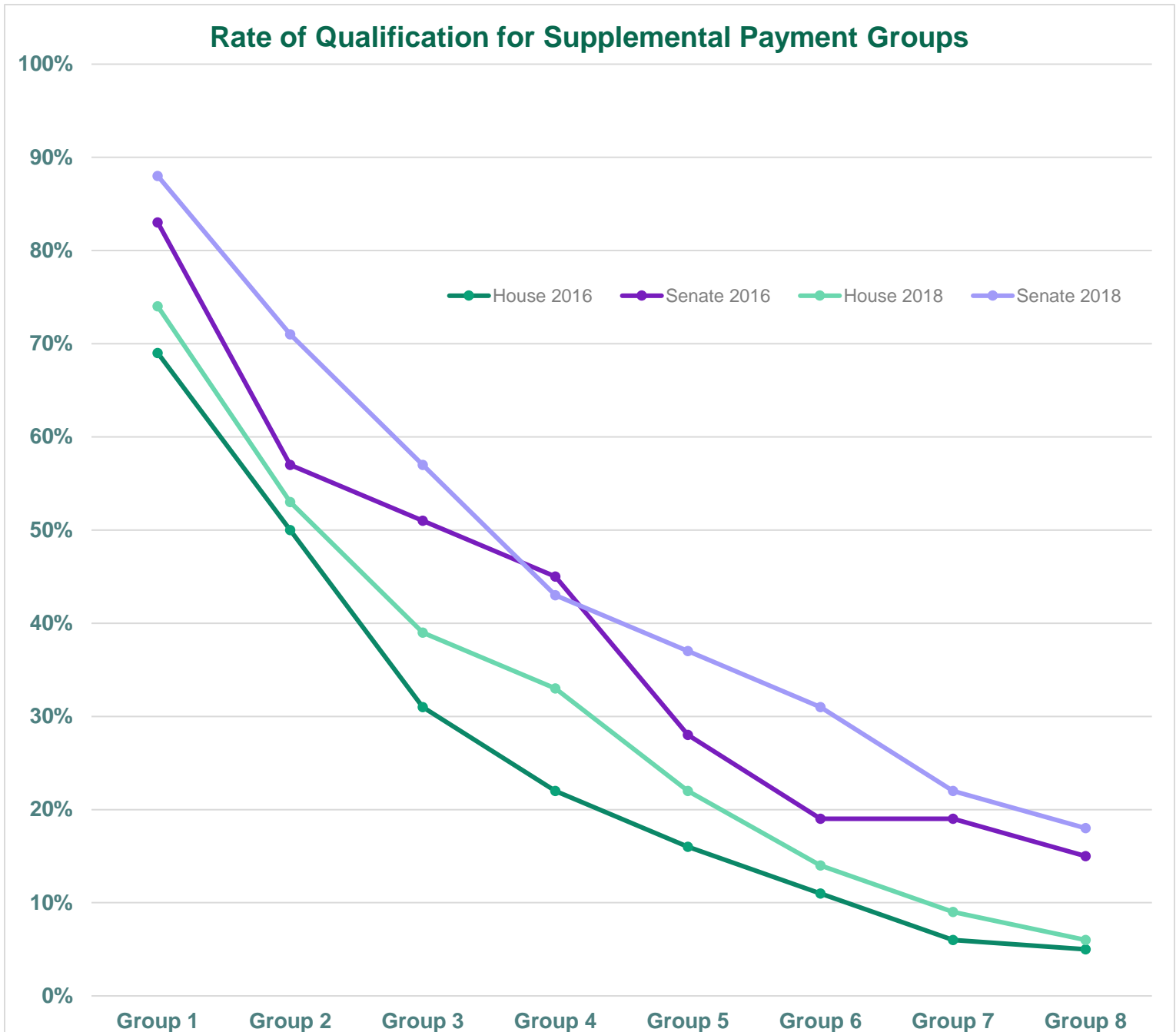
¹⁶ "Total cost" means total payments of MCEA funds to candidates reduced by the amount of

unspent funds returned by the candidates; it does include personnel or administrative costs.

general election candidates, by office sought and election year, that qualified for each of the eight individual supplemental payment groups.

As can be seen, the only supplemental payment groups a majority of candidates received were Groups 1 and 2 for House candidates, and Groups 1 through Group 3

for Senate candidates. Fewer candidates qualified for higher levels of funding. The percentage of candidates who received all eight supplemental payments (and therefore received the maximum amount of MCEA funding) is less than 20% of Senate candidates for both years, and less than 10% for House candidates for both years. This translates to the number of candidates



receiving the maximum amount of funding being in the single digits.

The graph also shows, in almost all cases, more candidates per office qualified for supplemental payments in 2018 than in 2016. For instance, in 2016, 31% of House candidates who had contested general elections received three supplemental payments; while in 2018, 39% of those candidates did. There are several possible reasons for this trend, including candidates had greater experience collecting additional QCs in 2018 than 2016.

Compared Costs

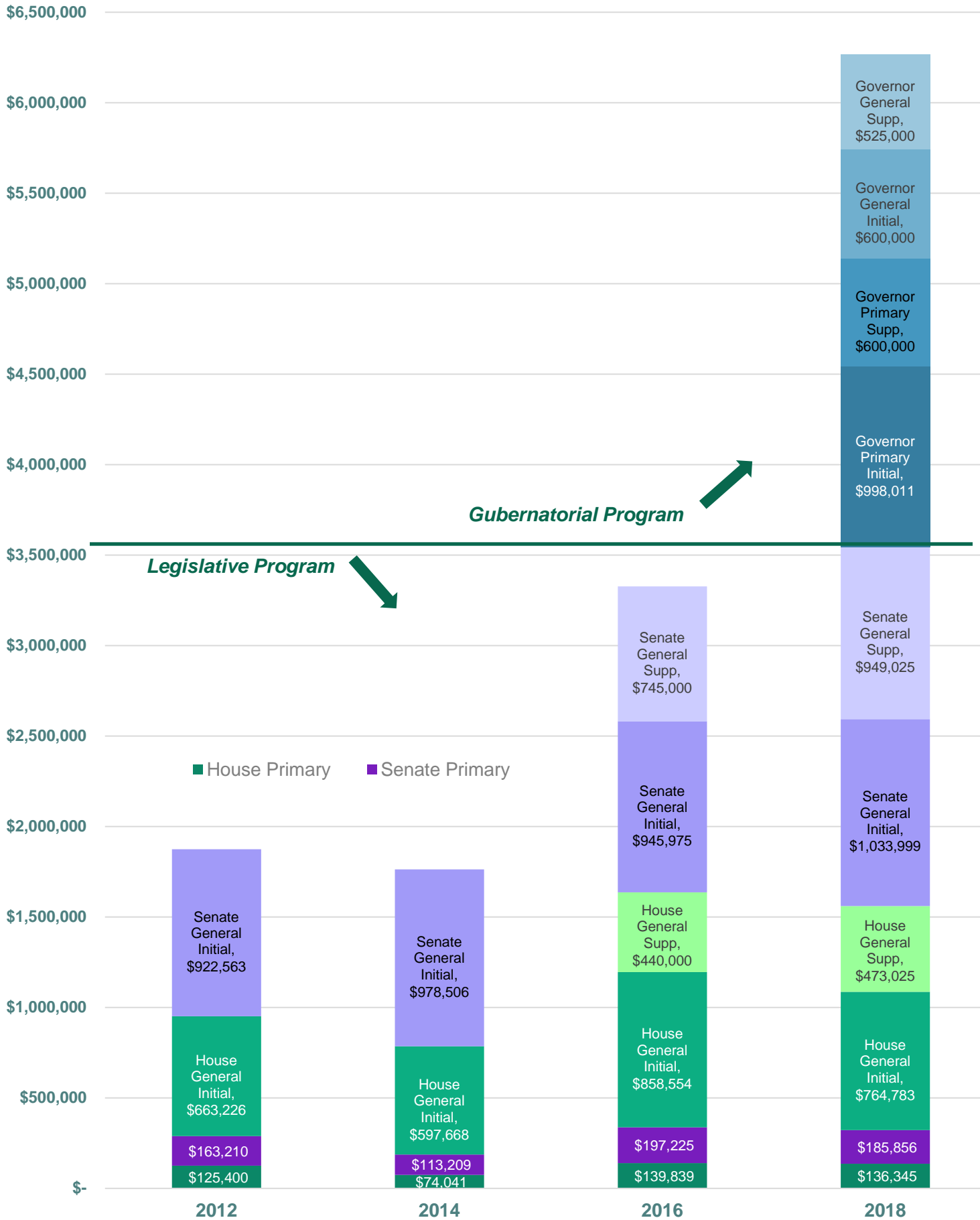
The graphs in this section display the total costs of the MCEA program for the 2012, 2014, 2016, and 2018 elections in a comparative manner. As mentioned previously, the 2014 election cost slightly *less* than the 2012 election, but, as would be expected, the 2016 election, the first year offering the expanded program, cost more than 2014 and 2012. The 2018 MCEA program, offering the expanded program to legislative *and* gubernatorial candidates, cost more than the three previous elections individually.

When reviewing the costs of only the legislative programs, it is important to note that the 2018 program was slightly more expensive than the 2016 program, even

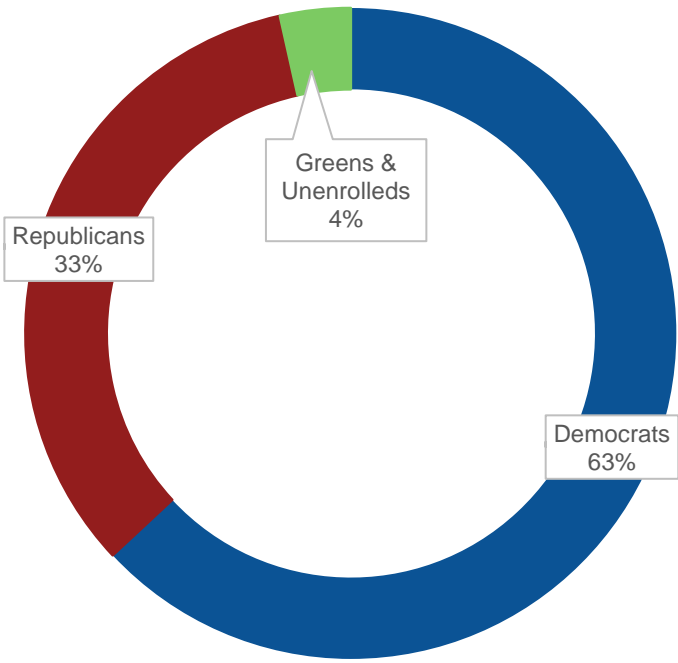
though the legislative participation rate in the MCEA program decreased between 2016 and 2018. This is most likely due to the fact that payment amounts were increased slightly due to inflation for 2018, and that candidates qualified for more supplemental payments.

Overall, the 2016 program cost close to \$1.2 million more than 2014 program, with almost all of that difference being accounted for in the cost of the supplemental funds. The 2018 program cost \$2.9 million more than the 2016 program, with \$2.7 million of that coming from the cost of the gubernatorial program, which will not be offered again until at least 2022. What these figures appear to demonstrate is that for the *legislative* program, the cost of the *initial* payments has stayed consistent over the last four elections, and that the cost of the legislative *supplemental* payments has also shown to be relatively consistent in the last two elections. Thus, while it is true the MCEA program is more expensive with the expanded program than in 2012 and 2014, the cost has remained within available revenues and well below worst-case scenarios.

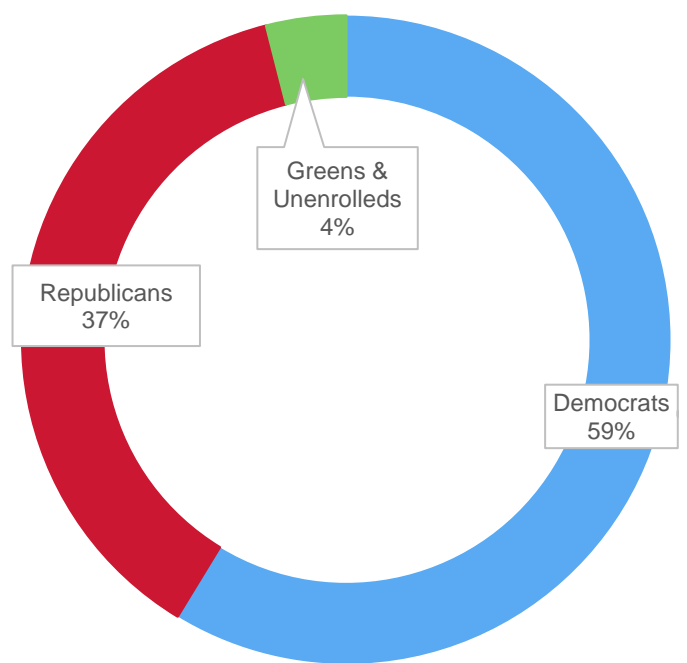
Compared Costs of 2012, 2014, 2016 & 2018 Elections



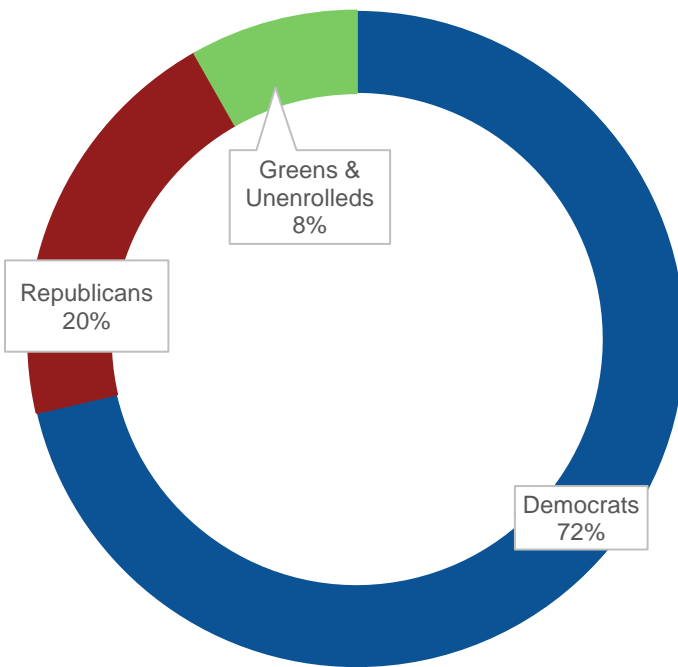
2016 House MCEA Costs



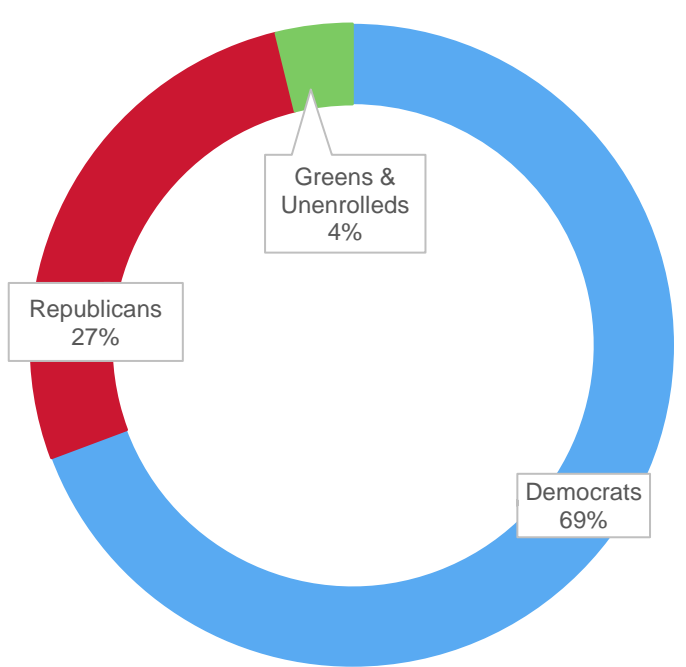
2016 Senate MCEA Costs



2018 House MCEA Costs



2018 Senate MCEA Costs



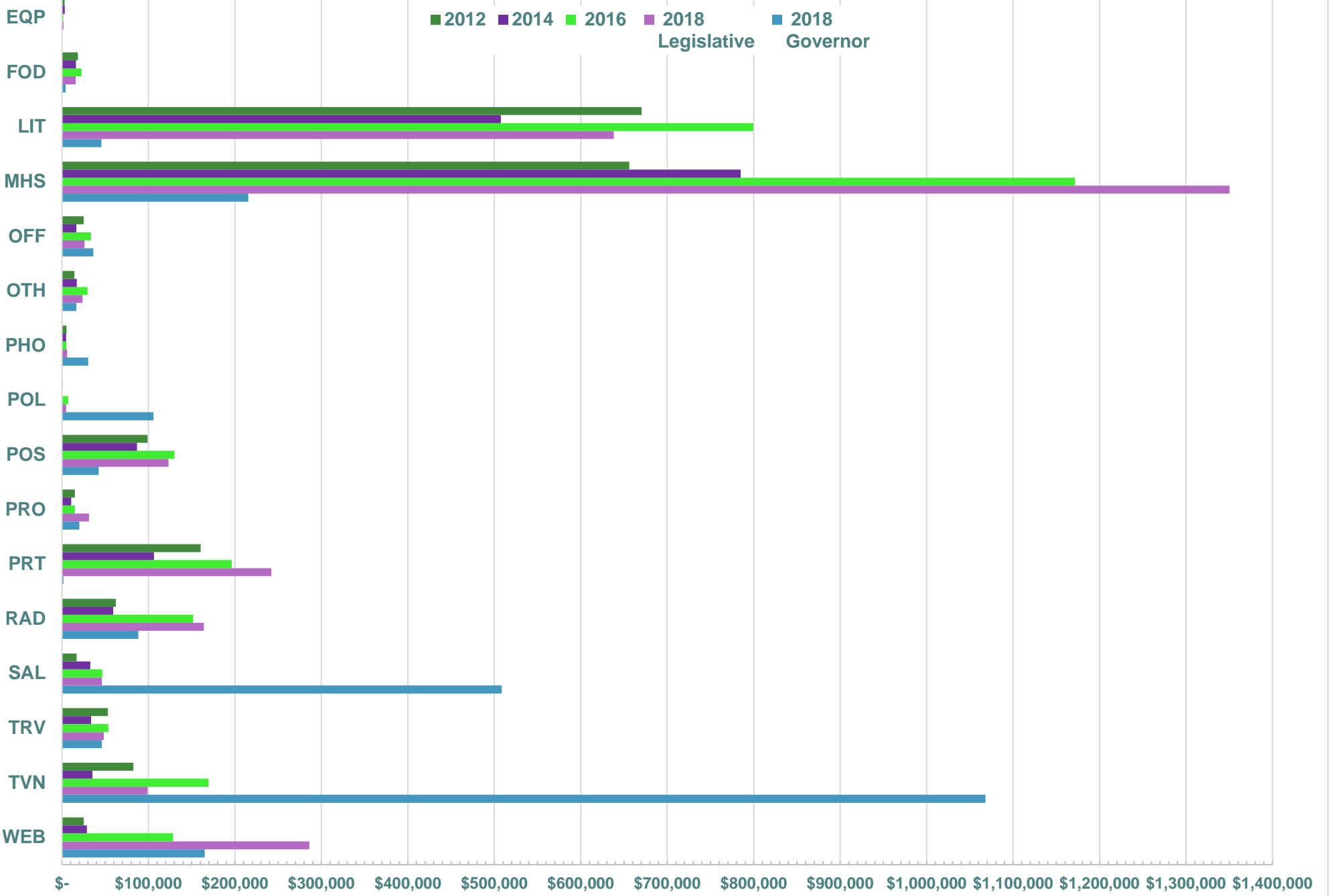
The pie charts on the previous page break down the MCEA costs of the elections by party caucuses, to show how much of the overall cost of the program each party caucus was responsible for. As can be clearly seen from the charts, and as was the case in 2012 and 2014, Democratic candidates across both years were responsible for the majority of the costs of the MCEA program – because participation in the MCEA program is consistently higher among Democrats than Republicans and third-party candidates.

Expenditure Analyses

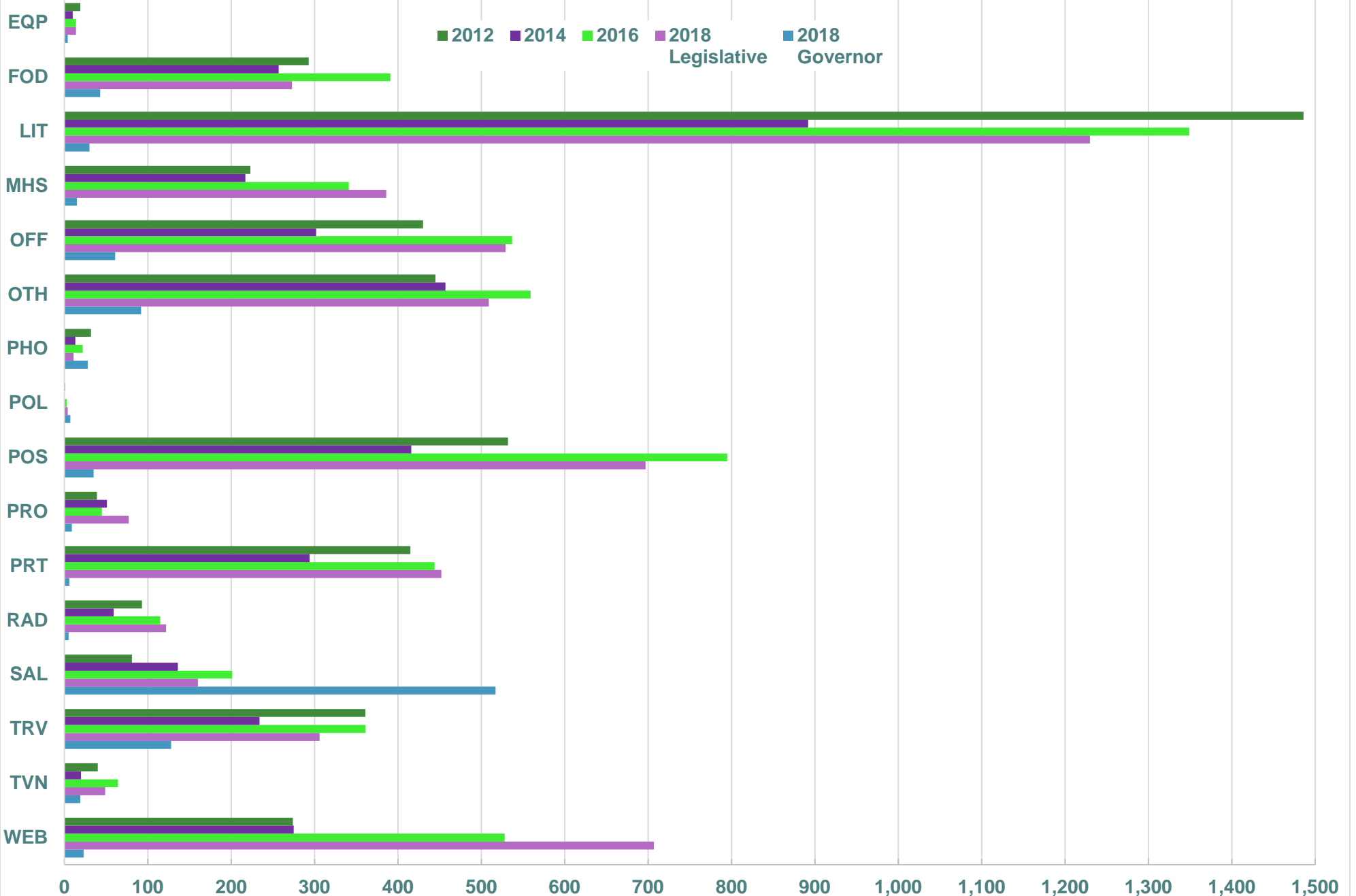
As mentioned previously in this report, MCEA candidates are required to file scheduled campaign finance reports that disclose all of their debts and expenditures, similar to traditionally financed candidates. No MCEA candidates are exempt from the filing requirement, and no expenditures are exempt from being reported. The charts and tables in this section detail how MCEA funds were spent in the 2012-2018 elections.

CNS	Campaign consultants	POS	Postage for US Mail and mail box fees
EQP	Equipment (office machines, furniture, cell phones, etc.)	PRO	Other professional services
FOD	Food for campaign events, volunteers	PRT	Print media ads only (newspapers, magazines, etc.)
LIT	Printing and graphics (flyers, signs, palmcards, t-shirts, etc.)	RAD	Radio ads, production costs
MHS	Mail house (all services purchased)	SAL	Campaign workers' salaries and personnel costs
OFF	Office rent, utilities, phone and internet services, supplies	TRV	Travel (fuel, mileage, lodging, etc.)
OTH	Other (bank fees, entrance fees, small tools, wood, etc.)	TVN	TV or cable ads, production costs
PHO	Phone banks, automated phone calls	WEB	On-line advertising, registration, hosting, maintenance, etc.)
POL	Polling and survey research		

MCEA Expenditures By Type For 2012-2018



Number Of MCEA Expenditures Funds By Type 2012-2018



Total Cost By Expenditure Type

	2012	2014	2016	2018 Legislative	2018 Governor
CNS	\$14,346	\$23,900	\$39,348	\$32,768	\$320,828
EQP	\$3,119	\$3,259	\$1,649	\$1,693	\$132
FOD	\$18,456	\$16,188	\$22,621	\$15,814	\$4,354
LIT	\$670,343	\$507,540	\$799,426	\$638,094	\$ 45,556
MHS	\$656,046	\$784,927	\$1,171,447	\$1,350,067	\$215,410
OFF	\$25,173	\$16,653	\$33,432	\$26,126	\$36,180
OTH	\$14,494	\$17,234	\$29,562	\$23,764	\$16,552
PHO	\$5,236	\$4,765	\$4,889	\$5,998	\$30,200
POL	\$483	\$0	\$7,243	\$4,750	\$105,850
POS	\$98,832	\$86,749	\$130,239	\$123,243	\$42,508
PRO	\$14,890	\$10,656	\$15,017	\$31,325	\$20,162
PRT	\$160,485	\$106,342	\$196,298	\$242,174	\$1,701
RAD	\$62,368	\$59,303	\$151,746	\$164,185	\$88,198
SAL	\$16,861	\$32,758	\$46,756	\$46,221	\$508,684
TRV	\$53,025	\$33,642	\$53,625	\$48,472	\$46,202
TVN	\$82,515	\$35,115	\$169,499	\$99,025	\$1,067,814
WEB	\$25,037	\$28,856	\$128,492	\$286,122	\$165,183

**Total Number Of Expenditures By
Expenditure Type**

	2012	2014	2016	2018 Legislative	2018 Governor
CNS	30	23	40	64	41
EQP	19	10	14	14	4
FOD	293	257	391	273	43
LIT	1486	892	1349	1230	30
MHS	223	217	341	386	15
OFF	430	302	537	529	61
OTH	445	457	559	509	92
PHO	32	13	22	11	28
POL	1	0	3	4	7
POS	532	416	795	697	35
PRO	39	51	45	77	9
PRT	415	294	444	452	6
RAD	93	59	115	122	5
SAL	81	136	201	160	517
TRV	361	234	361	306	128
TVN	40	20	64	49	19
WEB	274	275	528	707	23

Expenditure Analyses Continued

For legislative candidates, the graph and table display that printing and graphics (LIT),¹⁷ and mail-house services (MHS) continue to be the most expensive expenditure type categories. Legislative candidates depend heavily on district-wide mailing and literature drops, as well as other printed items like lawn signs, and the overall cost of these expenditure types per year represents that. In comparison to the 2012 and 2014 elections, several other categories have crossed the \$100,000 threshold in 2016 and 2018 – postage (POS), radio advertising (RAD), television advertising (TVN), and online advertising and website costs (WEB). Thus, it would appear legislative candidates made use of some of their supplemental funds by expanding into other areas of advertising. The WEB category underwent the most dramatic cost change across the four years examined in this graph. From 2014 to 2016, the amount spent on WEB expenditures almost quintupled, and then from 2016 to 2018 it more than doubled again. In 2018, WEB became the third most costly expenditure type, costing more than print media advertising (PRT). Due to the advent of easy advertising using Google and social media, as well as access to supplemental funding, it is not a surprise that

WEB expenditures are becoming increasingly popular.

In 2018, the MCEA gubernatorial candidates created spending patterns markedly different from the MCEA legislative candidates. The most costly expenditure types for legislative candidates, LIT and MHS, were the 10th and 4th most costly expenditure types for gubernatorial candidates, respectively. Instead, the three gubernatorial candidates (two in the primary, and one in the general election) spent the majority of their funds in the TVN, campaign workers' salaries and personnel costs (SAL), and campaign consultants (CNS) categories. As gubernatorial candidates communicate with voters across the State, printed literature other than yard signs are not as commonly purchased as they are for legislative candidates. Instead, they rely on statewide advertising, such as television and social media advertising, and the use of campaign staff around the state to knock on doors and talk to potential voters.

Gubernatorial candidates also engage in more bulk purchasing, in which single orders are for much larger quantities, and much more expensive than any purchase a legislative candidate would need to make. The chart on page 44 displays the *number of*

¹⁷ It should be noted that LIT expenditures also include the cost of mailings. The MHS expenditure

type is only used when the candidate has clearly purchased a direct mail package.

times an expenditure of that type was reported.

For legislative candidates, most categories have more purchases in 2016 and 2018 than in 2012 and 2014, most likely a result from the candidates having access to supplemental funds. As discussed previously, WEB expenditures are becoming far more popular, with the number of WEB expenditures almost doubling between 2014 and 2016, and almost tripling between 2014 and 2018. It is important to take into consideration the overall participation rate increase after 2014, resulting in more certified MCEA candidates spending MCEA funds, which would increase both the cost per expenditure type, as well as the number of purchases.

The purchasing activity of the MCEA gubernatorial candidates is distinct from purchases by MCEA legislative candidates. There is only one category, SAL, in which gubernatorial candidates made more expenditures than legislative candidates. This is certainly affected by the low number of MCEA gubernatorial candidates (three), but also by the size of their campaigns, as mentioned previously. As gubernatorial candidates ran much larger campaigns, they would make fewer, but more expensive, purchases. For instance, MCEA gubernatorial candidates only reported 19

separate expenditures in the TVN category, but spent over \$1 million in that category, translating into an average of over \$56,000 per purchase.

Overall, with the advent of supplemental funds, all charts show that MCEA candidates used those funds to expand their campaign spending into other areas of campaign advertising, particularly WEB and TVN. The supplemental funds did *not* significantly increase the secondary costs of campaigns, such as food for volunteers and events, and travel costs. The majority of MCEA funds were spent directly on campaigning and electioneering.

Success Using The Program

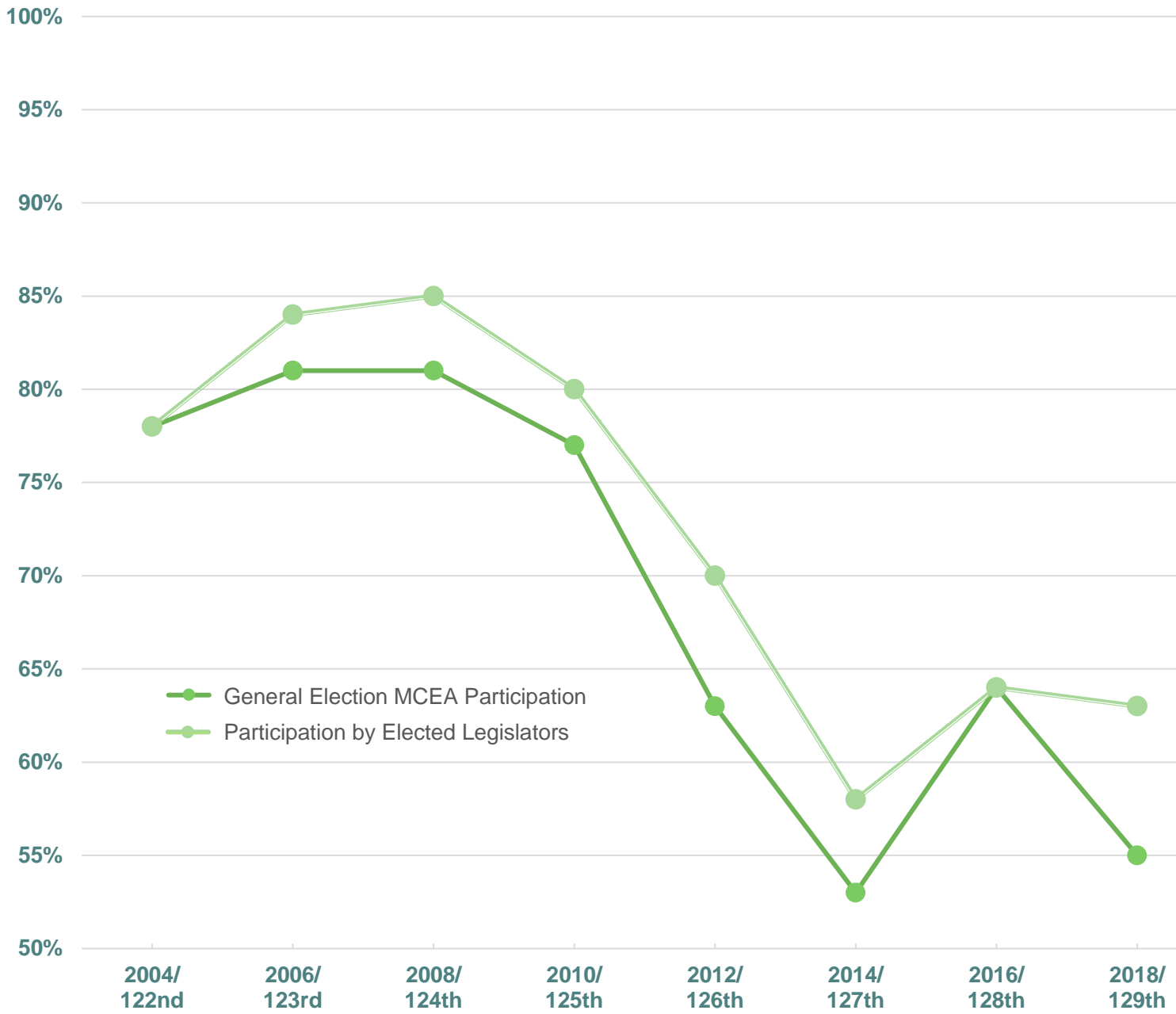
After the expansion of the MCEA program, beginning in the 2016 election, overall participation has begun to increase. Previously, the rate of elected legislators who were participants in the MCEA program followed the same trend of the rate of candidates who participated in the program. The tendency for the rate of the elected legislators who participated in the program to almost always be a few percentage points higher than the rate of candidates who participated in the program changed in 2016. In 2016, the rate was the same for both groups, at 64%, and in 2018, there is the largest difference between the two groups in

at least the last 14 years: in 2018, 55% of legislative candidates participated in the MCEA program, and 63% of the legislators elected in 2018 were MCEA candidates, creating an eight-point difference. This can at least partially be attributed to the fact that Democrats claimed the majority of legislative seats in the 2018 election, winning 110 out of 185 seats, and had the highest candidate participation rates in the MCEA program.

The most significant conclusion of these data is, over the eight elections analyzed in this report, the rate of elected legislators who used the MCEA program has always been *higher or equal to* the rate of *candidates* who participated in the program. This would be across elections in which different parties won the majorities, and three different governors. Thus, the MCEA program has continued to serve as a viable option for financing legislative campaigns.

	2004/ 122 nd	2006/ 123 rd	2008/ 124 th	2010/ 125 th	2012/ 126 th	2014/ 127 th	2016/ 128 th	2018/ 129 th
General Election MCEA Participation	78%	81%	81%	77%	63%	53%	64%	55%
Participation By Election Legislators	78%	84%	85%	80%	70%	58%	64%	63%

General Election MCEA Participation



About the Author

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2019 MCEA Report



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