

CAMPAIGN FINANCE REFORM

“WE REALLY TRULY BELIEVE WITH DEMOCRACY VOUCHERS, A LOT OF FOLKS ACROSS THE CITY WHO NEVER IMAGINED OR CONSIDERED DONATING TO A CAMPAIGN BEFORE WILL ALL OF A SUDDEN HAVE A TOOL THEY CAN USE,”

—Chris Genese, Washington Community Action Network”

THE PROBLEM

Big money interests play too large a role in municipal elections. Wealthy individuals and corporations are using political action committees, large contributions directly to candidates, and rising outside spending in the wake of Citizens’ United to spend heavily in local races. Local candidates raise significantly less than those running for federal office, so just a few large checks can have a big impact. As a result, it is increasingly important for localities to pass their own laws to protect our democracy and prevent wealthy donors from having disproportionate impact in local elections.

THE SOLUTION

“We really truly believe with democracy vouchers, a lot of folks across the city who never imagined or considered donating to a campaign before will all of a sudden have a tool they can use,” -- Chris Genese, Washington Community Action Network

There are three primary methods through which local governments can advance regulations that diminish the influence of money in political campaigns: disclosure, contribution limits or bans, and public financing.

DISCLOSURE: Timely disclosure is important even though it does not directly reduce the role of money in politics because it helps voters make informed decisions and hold politicians and others trying to influence voters accountable. Disclosure ordinances typically require groups that work to influence local elections to disclose their electoral spending once it reaches a certain threshold—either continuously or at certain specified

times throughout the election cycle. Citizens United and other Supreme Court rulings prevent localities from imposing limits on so-called independent spending in their elections, but do not restrict their power to mandate transparency. These ordinances can vary greatly in their level of specificity, frequency of reporting, and whether or not they embrace electronic reporting. Disclosure filings should be made available online in user-friendly formats.

CONTRIBUTION LIMITS: Many localities have also established contribution limitations or bans, which can vary significantly depending on the office that a candidate is seeking and whether the donor is an individual or a political committee. Most jurisdictions limit the ability of individuals and corporations to give direct campaign contributions to candidates and many jurisdictions ban contributions from corporations entirely. Some municipalities also have specific bans or limits on corporations or individuals who are doing business with the city or are registered lobbyists. Contribution limits can promote faith in democracy; give candidates without access to networks of large donors a better chance to run competitive campaigns; and ensure that super-wealthy donors cannot bankroll favored candidates’ entire campaigns.

PUBLIC FINANCING: Finally, some localities have enacted systems that use public funds to amplify the voices of all residents. Some programs match small contributions from local residents with public funds, so a \$20 contribution can be worth \$140 or more to a grassroots candidate. Others provide residents with

coupons or “vouchers” they can use to contribute to local candidates. These programs raise all of our voices and facilitate broader engagement in the political process, particularly by marginalized communities. And, they can change the way that candidates run for office, putting voters—not just wealthy donors—at the center of campaigns.

MANY CITIES ARE ALREADY ON BOARD

New York City, a pioneer on this issue, has taken an active approach to regulating local election campaigns since the Campaign Finance Act of 1988. The updated Act allows qualified candidates for mayor, comptroller, public advocate, borough president, and City Council to agree to strict spending limits in return for a six-to-one public match on small contributions from City residents. Studies have shown that the program has been effective at encouraging contributions from communities of color and middle- and low-income residents, and has enabled a more diverse set of candidates to run for office, affecting the makeup of the City Council. Candidates who opt out of the voluntary public funding program must still comply with disclosure requirements. In response to a flurry of outside spending during the 2013 election, New York also updated its disclosure laws, banning anonymous campaign communications and requiring disclosure of top donors that finance committees making independent political expenditures.

Seattle passed an innovative “democracy voucher” system on the 2015 ballot. Each resident who is eligible to vote can use four \$25 coupons to contribute to their preferred local candidates. The program will go into effect for the 2017 election cycle, and advocates expect it to give a broader set of Seattle residents a stake in their local democracy.

In December 2015, the **DC City Council** introduced the Citizens Fair Election Act which would match small donations from voters with limited public funds for those candidates who agree to turn down large contributions. The bill is still under consideration.¹

In 2014, the **Montgomery County Council** unanimously passed a bill creating an independent and bipartisan Committee to Recommend Funding for the Public Election Fund. The Committee has recommended the Fund be provided with \$10 million by May of 2017 to encourage candidates to participate in the program, empowering them to seek grassroots support from individuals in their communities.²

Philadelphia’s campaign finance law (i) sets limits on political contributions to candidates, (ii) requires candidates and political committees to electronically disclose campaign finance information, and (iii) creates a board with authority to

enforce and provide guidance to candidates and donors.³ Many large cities, including Los Angeles, Berkeley, and Seattle also have disclosure laws that include similar provisions.

LANDSCAPE AND RESOURCES

The Campaign Disclosure Project helps governments to pass legislation to increase transparency in elections. **The Brennan Center for Justice** has written extensively on campaign finance and has produced a 2010 guide to drafting state and local campaign finance laws. Demos is a public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy. **Every Voice** is a national nonpartisan organization fighting for a democracy that works for everyone.

NOTES

- 1 “Our Voices Our Democracy.” Public Citizen. February 2016. Accessed June 14, 2016. <<http://www.citizen.org/documents/our-voice-our-democracy-report-february-2016.pdf>.>
- 2 <Vandewaker, Ian. “Letter to Montgomery County Council: Adequately Fund New Public Financing Program.” Brennan Center for Justice. April 1, 2016. Accessed June 14, 2016. <https://www.brennancenter.org/analysis/letter-montgomery-county-council-adequately-fund-new-public-financing-program>.>
- 3 Campaign Finance, City of Philadelphia Board of Ethics (available at <http://www.phila.gov/ethicsboard/campaignfinance/Pages/default.aspx>).



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