CAMPAIGN FINANCE REFORMS

THE PROBLEM

A system dominated by big money and special interests produces an unrepresentative selection of wealthy, well-connected people running for office and leads to government politics that fail to reflect the needs of everyday people. This limits who can run, who can win, and who ultimately governs. Through large campaign donations, political action committees, Super PACs, and rising outside spending in the wake of the *Citizens United* decision, corporations and special-interest lobbies heavily influence local races. Local candidates generally raise significantly less than those running for state or federal office, so just a few large checks in a local election can have a bigger impact than they might in a state or federal election. Moreover, the role of big money in our elections is a barrier that disproportionately prevents talented leaders of color and women from running, being elected, and representing the communities in which they live.

As a result, it is increasingly important for localities to pass their own laws to break down these barriers that prevent less connected and monied leaders from running for office and that address wealthy donors having a disproportionate impact on local elections.

THE SOLUTION

Ensuring that political leaders represent the interests of not just the wealthy and powerful but all Americans requires reducing the power of big money and empowering small donors. Well-designed reforms can achieve that goal by creating a broader, more diverse, small-dollar donor base, enabling diverse candidates to run and win competitive campaigns, amplifying the voices of people of color and low- and moderate-income communities, increasing transparency and disclosure of who is contributing, and diminishing the role of large, concentrated campaign contributions.

There are three primary policies that local governments can develop to reduce the influence of money in political campaigns and break down the barriers to running for office: public financing of local elections, contribution limits, and disclosure requirements.

PUBLIC FINANCING: Some localities have enacted public financing systems to amplify and diversify the voices of all residents and make it possible for many more people of color and women to run and win elected office. When candidates opt in to these programs, they agree to limit the size of the donations they will accept (usually less than $200), and in exchange, receive public funds for their campaign based on the amount of small donors they are able to attract. 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 vouchers that they can use to contribute directly to local candidates. These programs facilitate broader engagement in the political process, particularly within marginalized communities. Small-donor elections break down the barriers competing wealth and influence create so that more candidates can run, win, and better reflect the racial, gender, and economic diversity of the country. Public financing systems can change the way that candidates run for office, putting the broader voter base—not just wealthy donors—at the center of campaigns.

CONTRIBUTION LIMITS: Many localities have also established contribution limitations, 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 amount of money individuals and corporations can give as direct campaign contributions to candidates, and many jurisdictions ban direct contributions from corporations entirely. Some municipalities also have specific bans or limits on direct contributions from corporations and individuals who are either doing business with the city or are registered lobbyists. Contribution limits can promote faith in democracy, give candidates without access to large-donor networks a better chance of running competitive campaigns, and ensure that ultra-wealthy donors and industries cannot entirely bankroll their favored candidates' campaigns.

DISCLOSURE: Though timely and comprehensive disclosure of campaign contributions does not directly reduce the role of money in politics, it is nevertheless imperative because it helps voters make informed decisions and empowers them to hold politicians and other influential actors accountable. Disclosure ordinances typically require that individuals and groups working to influence local elections disclose their electoral spending once it reaches a certain threshold—either continuously or at certain specified times throughout the election cycle. Although *Citizens United* and other U.S. Supreme Court jurisprudence has prevented legislators from setting limits on so-called independent spending in elections, governments still have the power to mandate spending 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 require regular and comprehensive reporting and be made available online in user-friendly formats.

EXAMPLES OF POLICIES IN ACTION

Seattle, WA, passed an innovative democracy voucher system on their 2015 ballot. Each resident who is eligible to vote will receive four $25 coupons they can contribute to their preferred local candidates. In return for accepting democracy vouchers, candidates agree to comply with guidelines on spending, contribution limits, and reporting. The program went into effect for the 2017 election cycle and led to more than 18,000 Seattle residents giving nearly 70,000 democracy vouchers to 2017 candidates. In contrast to the cash-donor base for Seattle's mayoral candidates, democracy-voucher donors for city-council and city-attorney candidates better reflected Seattle's population—especially with respect to its young people, women, people of color, and less affluent residents. Candidates in races eligible for democracy vouchers relied less on big money. Instead, 87 percent of the support for their campaigns came from small donations of $250 or less and democracy vouchers.[1]

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 member to agree to strict spending limits in return for a six-to-one public match on small contributions from city residents.[2] Studies have shown that the legislation has been effective at encouraging contributions from communities of color and middle- and low-income residents. Furthermore, the Act has enabled a broader group of candidates to run for office, diversifying the makeup of the city council.[3] 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 the top donors to those committees making independent political expenditures.[4]

In March 2018, the **D.C. City Council** unanimously passed and Mayor Bowser signed the Fair Election Act, which provides a five to one match of small-dollar contributions from D.C. residents. To participate, candidates collect a required number of small contributions from D.C. residents, accept lower contribution limits, and cannot accept contributions from corporations or traditional political action committees. This program is available to candidates running for D.C. State Board of Education, Council, Attorney General, and Mayor.[5]

In 2014, the **Montgomery County Council, MD**, unanimously adopted the Public Election Fund, a small-dollar matching fund for County Council and County Executive candidates. The program provides matching funds for candidates who agree to only receive individual donations between $5 and $150 dollars and not accept any contributions from corporations, PACS, or political parties.[6] The program is being used for the first time in upcoming 2018 elections; nearly three-quarters of candidates for county council and county executive have applied to participate in the public financing system.[7]

Philadelphia's campaign finance law sets limits on political contributions to candidates, requires candidates and political committees to electronically disclose campaign finance information, and creates a board with authority to enforce and provide guidance to candidates and donors.[8] Many large cities, including **Los Angeles**, **Berkeley**, and **Seattle**, also have disclosure laws that include similar provisions.

LANDSCAPE AND RESOURCES

The **Center for Popular Democracy** works with national partners, base-building organizations and state and local allies around the country to expand the voice of voters and communities in our democracy including advancing proactive voting rights and public financing reforms. **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.