Publicly Financed Campaigns - Frequently Asked Questions

- 1. What are publicly financed campaigns?
- 2. Where have PFC systems been adopted?

Arizona

California

Colorado

Connecticut

North Carolina

New Mexico

New York

Texas

Washington

- 3. How well do publicly financed campaigns work?
- 4. What kind of legislation is needed for PFC?
- 5. How are publicly funded campaigns funded?

1. WHAT ARE PUBLICLY FINANCED CAMPAIGNS?

Publicly Financed Campaigns (PFC) are political campaigns in which public money may be used for the candidates' campaigns. The purpose of having PFC is to enhance democracy by countering the corruption that often occurs when, in order to be competitive, candidates must accept money from wealthy special interests. PFC also encourages people, who are not independently wealthy or do not want to use special interest money to compete in elections. Legislators who use public money for their election do not have to spend 50% or more of their time fund raising and can concentrate on working for the people.

To read Public Campaign Financing in California: A Model Law for 21st Century Reform click here.

2. WHERE HAVE PFC SYSTEMS BEEN ADOPTED?

According to the <u>Campaign Finance Institute</u> (a nonpartisan think tank on money in politics) as of 2015, government entities in fifteen cities, thirteen states and three counties had some form of PFC:

- <u>Cities</u>: Los Angeles, CA, New York City, NY, Boulder, CO, Long Beach, CA, Oakland, CA, Richland, CA, Sacramento, CA, San Francisco, CA, Tucson, AZ, Seattle, WA, Albuquerque, NM, Chapel Hill, NC, Santa FE, NM, Austin, TX, and New Haven, CT
- <u>States</u>: Arizona, Florida, New Jersey, Rhode Island, Connecticut, Maine, New Mexico, Vermont, Hawaii, Massachusetts, Minnesota, Maryland and Michigan
- Counties: Montgomery County, MD; Miami Dade County, FL; and Suffolk County, NY

ARIZONA:

Tucson for Mayor and City Council - \$1 public funds for \$1 private (1:1 match), spending limit. Revised in 2016. See the Tucson campaign finance webpage.

CALIFORNIA

Long Beach for Citywide and City Council, 1:2 match. Spending limit and public fund cap. Election Law: See Long Beach Municipal Code

Los Angeles for City council and Citywide, 2:1 matching grant for primary; then lump sum + 4:1 for general election. Match first \$250 for City Council and first \$500 for Citywide. Spending cap is about one fourth to one third of spending limit. Spending cap removed against non-participating candidate who exceeds limit or if sufficient independent expenditures. Election Law: See California model law

Oakland for City Council, 1:1 match for first \$100 per donor, spending limit and public fund cap. Election Law: See California Model Law

Richmond for Mayor and City Council, \$1 public match for \$2 private. Public fund cap. No spending limit. Election Law: See California Model Law

Sacramento for Mayor and City Council, 1:1 match for up to \$250 per donor. Spending limit and public fund cap. Election law: See <u>California Model Law</u>

San Francisco for Mayor and Supervisors, Partial grant, 2:1 match for the initial contributions, then 1:1 match. See San Francisco CFR Ordinances

COLORADO

Boulder for City Council 1:1 match for ½ of spending limit for qualified candidates, spending limit based on number of voters. Election Law: See <u>Boulder CFR Initiative</u>

CONNECTICUT

New Haven for Mayor, grant, then 2:1 matching for the first \$25 of contributions. Spending limit and public fund cap. Election Law: See New Haven Democracy Fund

NORTH CAROLINA

Chapel Hill same as Albuquerque, NM. For Chapel Hill Ordinances click here.

NEW MEXICO

Albuquerque for Mayor and City Council, full public grant after privately raised seed money and qualifying contributions. Grant + seed money + qualifying contributions = spending limit. Election Law: See <u>Albuquerque</u>, <u>NM law</u> and <u>Common Cause proposed amendments</u>
Santa Fe for Mayor, City Council and judge—the same as in Albuquerque, NM. Election Law: See <u>Santa Fe Charter</u>

NEW YORK

New York City for City Council and City Wide, \$6 public funds for \$1 private for first \$175 of qualified contributions from individual city residents. Spending limits; Public funds cap; debates. Election Law: See New York City CFR

TEXAS

Austin for Mayor and City Council, partial grant for runoff elections only. Spending limit. Law is not online. Information about it can be found at <u>Austin City Clerk Office</u>

WASHINGTON

Seattle for Mayor, City Attorney, City Council, Four \$25 vouchers to registered voters, who may give them to participating candidates. Spending limit, with exceptions when there are high spending opponents or independent expenditures; \$500 contribution limit for all candidates, but \$250 for council candidates who use public financing.

3. HOW WELL DO PUBLICLY FINANCED CAMPAIGNS WORK?

In our new world of independent spending, it is obvious that public funding of campaigns cannot keep large contributions from wealthy individuals, corporations, or special interest groups out of politics. However, the Campaign Finance Institute (CFI), has examined available research and found that "...a properly designed program can increase the proportional importance of small donors to candidates and increase participation by an economically and demographically more representative cadre of campaign supporters. Candidates may choose to depend on large donors if they wish, but a well-structured program can make it possible for a candidate to choose otherwise. In the most effective programs, substantial percentages of the candidates make this choice and participate." (Executive Summary)

CFI also conducted research on the post-election effects of PFC in government. It appears that participation in PFC has greater impact on agenda setting than on final roll call votes, though both were impacted.

The CFI report indicated that the two largest urban matching fund programs, New York City, NY and Los Angeles, CA, have had strong rates of participation, as has Boulder, CO. Information on participation in other cities was not included in the report.

4. WHAT KIND OF LEGISLATION IS NEEDED FOR PFC?

Represent.Us has drafted The American Anti-Corruption Act, a model framework for city, state and federal laws to fix our broken political system. Read it here.

5. HOW ARE PUBLICLY FUNDED CAMPAIGNS FUNDED?

As reported by CFI the financial costs will vary depending on program details. Generally speaking, these will be very low as a percentage of government spending or tax breaks. For example, the officially estimated cost of a small donor matching fund program in New York State was about \$56 million per year. The state's annual budget for 2015-16 is \$142 billion. (New York State, 2013 and 2015.) The information contained in these answers to FAQ's is a very small sampling of the information contained in the Campaign Finance Institute's report Citizen Funding for Elections, written by Michael Malbin. The purpose of the report is stated in the Executive Summary: "It is not an advocacy document for the general public. Neither will this report settle the arguments among those who debate whether the objectives are worth their financial cost, which will normally be modest. Rather, this report is written for those who are seriously considering citizen funding programs or tax credits, whether they lean pro or con, as a first step toward evaluating the claimed benefits of the programs along with the potential risks. It is a guide to what is known (or can be inferred) from scholarly research about what the various forms of incentive programs have accomplished and might accomplish, along with what they might not or will not."