

# Considerations and Evaluation of Public Campaign Financing Models

Commentary by Craig Salins

The Local Option law approved this year in Washington State ends a 16-year ban and allows cities and counties to establish local programs of public funding for campaigns if they want, subject to approval by local voters in a referendum. Widespread experimentation is possible, designing various models of public financing or adopting program models that have been in place in other states and cities. How are we to evaluate the proposals and models put forward?

Here are some comments and considerations on the topic.

## Trends

First, it's instructive to notice trends in campaign costs and contributions, and obvious truths:

1. The spending by political campaigns at every level is steadily increasing. This may be driven partly by increasingly sophisticated technologies of polling, micro-targeting of voter lists, persuasion techniques and the campaign consultants to employ and manage these elements. Also, it may reflect the increasing cost of media, mailings and the stuff of campaigns. But the trend toward increasingly expensive (and sometimes not affordable) campaigns is unlikely to reverse.
2. In Seattle, there is a clear trend toward fewer small donors contributing to campaigns, and the donors remaining giving larger sums. Fewer people, larger sums.
3. Quite obviously, with campaign spending rising, *someone* is paying the bill, the cost of campaigns — and reaping the results, perhaps in face time with elected officials, perhaps in political favors. But certainly the payers, the campaign donors, have influence in deciding *who* gets to run, *who* has a viable campaign (campaign “war chest”), and therefore *who* is likely to be elected.

These trends and realities might not be a cause for concern except that the influence of money in campaigns is magnified — even though campaign contributions are voluntary and voters have the final choice on election day. To the extent that campaign funds are bundled or that some organizations or individuals can influence many contributors, their decisions actually skew election results well before election day, by influencing who has the resources to wage a winning campaign and therefore who will choose to run and appear on the ballot. Few persons of limited means will decide to jump into a race if it means mortgaging their future — even if they have wide (though not wealthy) community support. This financial barrier to elective office leaves a system where large donors have undue influence over election outcomes and therefore over public policy.

But governing involves making decisions that profoundly affect the lives of every community member — budgeting public resources, setting policy on community issues such as transportation, housing costs and land use planning, funding for education, water rights and environmental protection, access to affordable health care, farm and food policy, energy policy, and more.

If we value representative government, we must be concerned when there are financial barriers to participation by candidates who otherwise enjoy community support. And that means working to eliminate those barriers, by providing equal access to campaign resources that often determines who can run — so that the ballot includes the best community leaders, not simply the best fund raisers. If some candidates have wide community support but limited access to campaign funding, it leaves us with a system where a few donors — rather than voters — will determine who will appear on the ballot in the first place, even before the election. And therein lies the undue influence.

In general, participation and confidence in elections and government is greater if all segments of the community feel they have equal voice, equal access to those in power, and equal chance to participate in decisions that affect their lives. Public financing of campaigns eliminates a barrier to participation for candidates who have community support but who lack the resources to run.

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## Goals for public financing programs

Recently, Washington Public Campaigns suggested five fundamental goals for any public campaign financing program, as follows:

- A. Provide equal opportunity and expanded voter choice:** Eliminate financial barriers to running for local office for persons otherwise qualified who demonstrate community and voter support.
- B. Refocus on the public interest, not fund raising:** Allow candidates and elected officials to focus on the tasks and responsibilities of their position (representing voters in their district, studying issues and crafting laws and public policies) rather than on raising funds for campaigns and re-election.
- C. Curb undue influence:** Eliminate special influence or access to elected officials resulting from financial contributions to campaigns.
- D. Ensure appropriate resources:** Allow/provide sufficient financial resources for candidates to get their message out, within the confines of reasonable public budgets.
- E. Discourage excessive campaign contributions and spending:** Discourage unreasonable growth in (1) campaign contributions and spending and (2) expenditures tending to influence election outcomes.

## Additional Considerations

Here are some additional considerations and factors by which to measure or evaluate proposed models of public financing for election campaigns at the city or county level. How well does any proposed program meet these criteria:

1. Allow qualification by serious candidates who can demonstrate community support and would therefore be competitive, and which requires and rewards reasonable effort with resources necessary to wage a competitive campaign.
2. Discourage or disqualify non-serious “hobby” candidates who lack community support and are likely to be rejected by voters as fringe candidates - so that public funds are not wasted on frivolous campaigns.
3. Provide sufficient resources to qualifying candidates. Design programs that entice candidates to use public financing without being handicapped because the program is underfunded or needlessly bureaucratic.
4. Encourage voter-contact, and minimize the demand of fund raising, so that candidates spend more time with voters discussing community issues and less time on fund raising, dialing for dollars, and romancing donors.
5. Reduce/minimize the political influence of large contributions and bundling — particularly by non-person entities and contributions arising from outside the jurisdiction.
6. Discourage independent expenditures seeking to influence campaign results.
7. Address the issue of rising campaign costs and spending, by capping expenditures and seeking ways for candidates to deliver their message and position on issues to voters, without excessive mailings or spending.
8. Affordable to the city or county — especially during a time of lagging public revenues, tight budgets requiring difficult choices regarding use of public resources.
9. *Perceived by voters* to be affordable, reasonable and needed — that is, addressing a voter-recognized problem or undesirable trend in local election campaigns. This is particularly important, because the newly-enacted Local Option law requires that any proposed program be submitted to local voters for approval or rejection in a local referendum before it can take effect.

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## PFC Models in Seattle

The Seattle Public Campaign Financing Advisory Committee — as of this writing 5/30/08 — has examined several PFC models in use around the country, and has tentatively decided to work up two models to submit to the city council:

**a) Public matching funds model:** A program similar to San Francisco's, which requires candidates to demonstrate viability by raising a portion of funds (25%) needed for their overall campaign. To qualify for public matching funds, candidates would need to raise \$10,000 through contributions of \$100 or less. Qualifying candidates would then receive public funds in matching amounts (\$3 to \$1), to an upper campaign limit of \$250,000 for both primary and general election. Some details are yet to be decided by the Advisory Committee.

**Arguments in favor:** Private contributions demonstrate community viability as a candidate and likely voter support. Outlay of public dollars is limited by matching only what the candidate can raise, if the candidate cannot raise large sums. Overall public outlay is limited, because candidates agree to a spending ceiling, and have to raise 25% of campaign costs through private contributions. Undue influence by donors is restricted by setting a maximum size of contributions able to be matched.

**b) Public lump-sum or full-funding model:** A program similar to the Voter-Owned Elections program in Portland, Oregon, and the Clean Elections Act programs in Maine and Arizona. Under this model, candidates demonstrate community viability and likely voter support by gathering a set number of signatures along with small qualifying contributions (\$5) from each signer — all validated by an oversight authority such as Seattle's Ethics and Elections Commission — in order to certify candidates for public funding. Upon certification, candidates receive a lump sum specified by law or ordinance and sufficient to run a competitive primary campaign. Winning candidates receive an additional lump sum of public funds to wage a campaign for the general election.

**Arguments in favor:** A lump-sum model determines candidate viability solely by signatures from voters in the district and small qualifying contributions. Certified candidates no longer need to dial for dollars and are prohibited from accepting any more private contributions or using their own funds. The financial playing field is level and candidates are measured by voter support, not by their fund raising prowess. Voter-contact on issues is encouraged because candidates are not making calls to raise donor dollars and instead are free to campaign on issues.

Either model of public financing above may include a feature where PFC candidates who are outspent by a privately-funded opponent receives "fair fight" matching funds — generally dollar for dollar, and capped at an upper limit — to keep the financial playing field level among privately-funded and PFC candidates. "Fair fight" funds are also triggered/released by independent expenditures — ads, mailings or campaign activity — on behalf of or against any publicly-funded candidate.

In the coming weeks, the Seattle City Council and other local jurisdictions will be considering these proposals and models, and perhaps goals and underlying factors that argue for some version of public financing for campaigns for municipal and county elected positions. Undoubtedly they will also be soliciting and listening to public opinion on this issue.

If you are concerned, make your voice heard!

Additional information about public financing of election campaigns is available from Washington Public Campaigns, [washclean.org](http://washclean.org).

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