



## **Voter-Owned Elections (VOE) Programs for Cities and Counties Opportunity and Design of Public Financing for Local Campaigns**

### **Local Option Law Approved**

The Washington Legislature has approved the Local Option bill (E2SSB 5278), ending a 16-year state ban and once again allowing local jurisdictions to create programs that offer public funds for local political campaigns. Governor Gregoire signed the bill into law, March 17<sup>th</sup>, 2008.

Now, cities, counties and local districts (excluding school districts) can design and enact a local program (via ordinance). Under the Local Option law approved by the legislature, any proposed local program must be submitted to voters for their approval or rejection in a local referendum (or advisory ballot) at the next general election.

### **WPC Assistance in Planning / Design and Public Education**

Washington Public Campaigns can help local jurisdictions to evaluate the opportunity presented by the new Local Option law. WPC has information about public financing programs that exist elsewhere, and a Voter-Owned Elections Program Design Planning Guide which lists key design options for any local program, along with pros and cons of various design choices. WPC can provide briefings on proposed programs for public officials and community organizations and groups.

Any locally-designed program requires an affirmative vote of local voters at the next election. Many people may not yet know of the recent approval of the Local Option law, and the opportunities for local city or county councils or commissioners to create a local program. Accordingly, WPC is planning an aggressive public awareness campaign to inform citizens that public financing for campaigns for local office is now possible and to encourage their active participation in program design and support for voter approval.

### **How would a publicly-financed Voter-Owned Elections program work?**

**Local ordinance:** Local jurisdictions would create a program by ordinance, creating a local public fund, specifying the funding source, program parameters, and an oversight authority to administer the program.

**Optional for candidates:** Public funding for campaigns is always optional for candidates. They may still raise funds privately and run a campaign the traditional way, without the benefits or restrictions of a publicly-funded campaign program.

**Qualifying signatures/contributions:** Candidates who wish to run using public funds through the VOE program file an intent to do so, and then must qualify by collecting a set number of signatures from voters in their district along with a specified-amount contribution from each signer—e.g. \$5 or \$10, specified exactly in the enacting ordinance.

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**Seed money during the qualifying period:** Candidates are generally allowed to use limited personal funds and private contributions up to a set amount as seed money during the qualifying period to collect the necessary signatures and qualifying contributions. When the minimum numbers of signatures are met, each with the required qualifying contribution, they are turned in for validation by the designated city or county authority.

**Campaign public funds allotment:** Once signatures and qualifying contributions are validated, the publicly-financed candidate receives a check in an amount determined by the enabling ordinance, fully funding their primary campaign. In exchange for public funds provided, the candidate agrees to run his/her campaign only on these funds (except for matching funds, described below), accepting no private contributions and using no more of their personal funds. In this manner, overall campaign expenditures are capped. Publicly-funded candidates also agree to other provisions and requirements of the VOE program, such as reporting requirements, appropriate restrictions on how campaign funds can be used, and perhaps requirements to participate in public debates and other similar provisions.

Candidates who survive the primary receive a second allotment of funds for their general election campaign. Once again, matching funds (described below) are available and disbursed to keep the financial playing field level with any privately-funded candidates or to match third-party ads favoring an opponent.

**Matching funds:** If a candidate is outspent by a privately-funded opponent, they receive matching funds—sometimes nicknamed “fair fight” or “rescue” funds—to keep the financial playing field level. These matching funds can also be triggered by third-party electioneering expenditures (from PACs or 527 organizations, so-called “Swift Boat” ads or activities). Matching funds are generally capped at two-to-three times the initial base allotment of campaign funding to keep the whole VOE program affordable. Candidates who finance their campaigns privately are still required to report contributions and anticipated expenditures as they approach the “trigger point” so that matching funds can be released quickly to publicly-funded candidates.

Matching funds serve two purposes. Up to a capped amount, they allow a publicly-funded candidate to keep up with excessive expenditures by an opponent and to respond to third-party electioneering expenditures. Secondly, they discourage excessive campaign spending overall, because every excess dollar raised and spent by an opponent also provides a dollar to the publicly-funded candidate. Data from around the country shows that this has restrained campaign spending in states with public financing programs.

### **Creating a Local Voter-Owned Elections Program**

The likely sequence to establish a local public financing program is as follows:

1. **Design the program**, deciding features as listed in the VOE Program Design Planning Guide.
2. **Draft an ordinance**, writing decisions into language appropriate for a legal ordinance.
3. **Conduct public hearings** as appropriate, to gather comment on proposed program design.
4. **Enact an ordinance**, placing it on the next election ballot for voter approval or rejection.
5. **Receive voter approval** (or rejection) via ballot referendum. If the program is approved,
6. **Set up the program**, with budget appropriations, rule-making and administrative preparation.
7. **Advertise and launch the program**, with appropriate notice to candidates and the public.

Washington Public Campaigns has compiled policy guidelines and recommendations for the design of a Voter-Owned Elections program, and is available for briefings, consulting and design assistance to officials and local jurisdictions, to help design and create local programs.