September 20, 2018

Los Angeles City Council 200 N. Spring Street City Hall - 3rd Floor Los Angeles, CA 90012

Sent via email

RE: Amendments to Campaign Finance Laws

Dear Honorable Councilmembers:

Date: 9/21/18

Submitted in Pues Committee

Council File No: 12-12-69-55

Item No.: 2-13-1088-51

We, the undersigned organizations representing a broad spectrum of L.A.'s communities, are writing to ask your support for amending the City's Campaign Finance Laws in order to make our elections fairer and more democratic in time for the 2020 election cycle. We urge you to enact all of the Ethics Commission Recommendations (transmitted to Council on August 30, 2018). In addition, we strongly urge you to lower the maximum match per contributor from the current amount of \$250 to \$100 so that small donors are truly empowered.

Democracy — government of the people, by the people, for the people — is one of our highest aspirations as a country. Our democracy has never been perfect. But democracy's principles have inspired millions, including those who fought to enfranchise themselves. The daily news headlines remind us that democracy is under attack, around the world and in our own nation.

Unfortunately, our elections have become increasingly expensive and saturated with mega-contributions. Over the last decade, the Supreme Court's decisions in cases like *Citizens United* and *McCutcheon* have opened the floodgates to unprecedented amounts of dark, unaccountable money. Americans are more cynical about our system of government than ever before. In Los Angeles, turnout plummeted from 76% in 1969 to just over 10% in 2015. Angelenos are disconnected from their government; the lack of participation deprives us of the civic engagement we need to address our city's great challenges like homelessness, housing affordability, transportation, policing, and environmental injustice.

The City Council currently has an important opportunity to go beyond symbolic resolutions on *Citizens United* and pass municipal campaign finance reform that lessens the influence of big money and enables candidates to spend less time fundraising from high-level contributors. Done right, campaign finance reform will make our government more responsive to the needs and aspirations of our city's everyday residents and better able to confront the challenges we face.

The good news is that the City of Los Angeles already has a Public Matching Funds Program that is intended to allow candidates without networks of wealthy contributors to mount viable campaigns for City Council and Citywide offices. Unfortunately, the program has not kept pace with realities of campaign spending and is

not fulfilling its intent in practice. Approved by voters in 1993, the program was initially a success. It resulted in a significant increase in female representation on Council to five out of fifteen members in the late 1990s, but has struggled to reach that number in the decades since. It's no longer functioning as effectively as it should. While a majority of contributions submitted to the matching funds program now come from those contributing less than \$100, those contributing over \$100 to candidates constitute approximately 90% of the value of all contributions submitted. Its high qualification requirements make L.A.'s public financing system the most inaccessible in the nation. The match ratio and maximum funding per candidate have not increased in line with peer cities or inflation. This is especially concerning because the alignment of the City's elections with the State/Federal cycle will cause skyrocketing campaign costs as competition for advertising space, vendors, staff, and consultants increases.

The primary justification for aligning our elections was to increase voter turnout and engagement. With voter turnout projected to be two to six times higher than recent city elections, candidates will need the resources to contact that many more voters. It is imperative that the campaign finance system adjusts accordingly. The fundraising window for the 2020 elections opened on September 3, 2018 so it's especially important that the City Council takes quick action on this matter. The Council has been given a proposal that culminated from an eight-month review of our campaign finance system. The Ethics Commission's Recommendations are based on public input, thoughtful deliberation, and the expert analysis of the Commission staff.

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# 1. We urge you to adopt the Commission's proposal for empowering small donors with a 6:1 match rate and increasing the overall public financing available to candidates.

### **Increase the Matching Funds Rate**

We strongly support raising the current match rate to 6:1 for both the primary and general elections. This rate would put Los Angeles on par with localities New York City, Berkeley (CA), Portland, and Montgomery County, MD. Increasing the rate will allow candidates to communicate with a broader and more diverse base of constituents, instead of focusing on the wealthiest of donors. A 6:1 match rate will allow candidates to reach the maximum funding rapidly, which is crucial because they can only begin receiving funds when they qualify for the ballot, 90-120 days before the primary.

#### **Increase the Per-Candidate Maximum Amounts**

We strongly support increasing the total amount of matching funds given to qualifying candidates, as recommended by the Ethics Commission. The total amount of funding available hasn't increased at all since the program's establishment. The proposed increase fully accounts for inflation (as measured by the CPI) since that time.

Financing is not an obstacle to this increase. The Trust Fund which finances the Matching Funds Program will have a surplus of more than \$19 million as of June 30, 2019. This surplus is projected to grow significantly in the absence of reforms.

# 2. We support the Commission's recommendations for making the Matching Funds program more accessible with lower initial qualification requirements.

# Eliminate the Redundant Qualifying Signature Requirement

We strongly recommend eliminating the requirement that candidates gather an extra 500 signatures to qualify for the full matching funds. This additional requirement does nothing to encourage constituent contact as well-funded campaigns simply pay signature-gatherers. Candidates are already required to gather 500 signatures to get on the ballot.

### Lower the In-District Contribution Requirement

We support a decrease in the number of in-district financial contributions required to qualify for the matching funds program from 200 to 100. Requiring 200 contributions from local residents can impede campaigns from getting started in the first place, especially in less affluent districts. Our wealthiest council district has a median household income nearly twice that of our poorest district. Requiring 100 in district contributions will more than adequately test the campaign's ability to attract local support. Only two municipalities require in district contributions (none in CA), and they require no more than 75. It's worth noting that our aggregate threshold of \$25,000 in city contributions is twice that of any municipality in the nation. The commission did not believe any increase to the aggregate in City contribution requirement of \$25,000 was necessary.

# 3. We strongly support the requirement that candidates participate in a town hall or debate before receiving matching funds.

In the current system, candidates only have to agree to participate in a debate to receive funding, not to actually participate in one. We think it is important to ensure that candidates don't skirt this important civic responsibility by requiring actual participation in order to access public funds. In order to prevent obstructionism by candidates who opt out of public funding, and to speed up the ability of grassroots candidates to gain access to funding, we support allowing participation in a fully public town hall to substitute for participation in a debate. This town hall should require that the public and media be allowed to ask questions and that all other candidates are allowed to participate.

### 4. We urge you to decrease the maximum match per contributor to \$100.

Currently the city only matches the first \$250 of a contribution. Under the current 2:1 match, that means a public match of \$500. But under the proposed 6:1 system, a \$250

contribution would result in a public match of \$1,500. We think public funds would be better spent on amplifying the power of smaller donors.

Berkeley's 6:1 system limits the match to only the first \$50 of a contribution. Wher NYC increased their match rate to 6:1 they lowered the max match per contributor to \$175. Los Angeles is an outlier nationally in allowing such large donations to be matched. As the City considers increasing the match to 6:1 and lowering barriers to participation, we strongly recommend that the maximum match per contributor be lowered accordingly. Setting the maximum match at \$100 would ensure that we aren't strengthening our biggest donors, and that the Public Matching Funds program fulfills its original intent.

The Ethics Commission considered but did not adopt this recommendation. We believe it is an essential component to a campaign finance system that empowers small donors and creates a responsive, democratic city government.

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Thank you for your consideration of this important matter. As our elected representatives, we hope you will take action to defend and advance democracy. Please do not hesitate to contact us with any questions you may have. We look forward to working with you on these vital reforms.

### Sincerely,

American Indian Movement Southern California (AIM SoCal) Asian Americans Advancing Justice-Los Angeles (AAAJ) Bernie Sanders Brigade Bike the Vote California Clean Money Campaign California for Progress Coalition to Preserve LA Community Health Councils East LA Community Corporation (ELACC) Esperanza Community Housing Food & Water Watch Los Angeles Idle No More SoCal Holman United Methodist Church Korean American Coalition Los Angeles (KAC) Koreatown Immigrant Workers Alliance (KIWA) LA Forward LA Voice Leadership for Urban Renewal Network (LURN)

League of Women Voters of Los Angeles (LWVLA)

March and Rally Los Angeles
Monthly Democratic Luncheon
Money Out Voters In (MOVI)
Muslims for Progressive Values
Our Gov LA
People Power Los Angeles| West
Pilipino Workers Center
Represent Us: Los Angeles-San Gabriel Valley Chapter
Strategic Actions for a Justice Economy (SAJE)
Unrig LA
Youth Justice Coalition (YJC)

Additional Signers Pending



#### Richard Williams < richard.williams@lacity.org>

## Comment for CF 15-1088-S1

Jamie Tijerina <jamie.tijerina@highlandparknc.com> To: richard.williams@lacity.org

Fri, Sep 21, 2018 at 12:05 AM

Hello,

I'm emailing to urge Council President Wesson to empower small donors and reduce the influence of big money in city elections. I urge the Council to pass campaign finance reforms recommended by the Ethics Commission and lower the maximum matched per contribution to \$100.

Please refer to the community impact statement filed by the Historic Highland Park Neigborhood Council in May of 2018 - HHPNC represents over 60,000 stakeholders in Los Angeles and has indicated that it supports campaign finance reforms as indicated in this council file and as recommended by Ethics Commission. Thank you.

Jamie Tijerina, BSc, MBA Director At-Large, HHPNC Chair, Culture & Equality Committee Digital Communications Liaison

Email: jamie.tijerina@highlandparknc.com