

*City of Los Angeles*  
**Matching Funds Program**

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**Presented to the City of Seattle**  
**January 31, 2013**

# History: Late 1980s

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- Allegations of unethical behavior by the mayor.
- Mayor created a commission to write a new code of ethics for the City.
- Commission issued report November 1989.
- Made 30 recommendations for improving governmental ethics.

# History: 1990

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- Voters approved Charter Amendment H, a modified version of the commission recommendations.
- Enacted most comprehensive package of local governmental ethics laws in the country.
- Created Ethics Commission to oversee campaign financing, governmental ethics, and lobbying.
- Established and funded a voluntary matching funds program.
- Supplemented by Campaign Finance Ordinance.

# Stated Goals

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- Help candidates communicate their views without excessive expenditures or contributions.
- Promote public discussion.
- Limit overall spending in elections.
- Restrict fundraising in non-election years.
- Increase the value of smaller contributions.
- Reduce the fundraising advantage of incumbents.
- Encourage competition for elective office.
- Help restore public trust in government and elections.
- Avoid corruption or the appearance of corruption.

# Funding Source

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- **Mandatory annual appropriation.**
- **\$2,000,000 adjusted for CPI (currently \$3,100,600).**
- **Separate trust fund (not part of operating budget).**
- **Balance for 2013 elections: \$12,530,000.**

# Maximum Funding per Candidate

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Office	Primary	General
City Council	\$100,000	\$125,000
Controller	\$267,000	\$300,000
City Attorney	\$300,000	\$350,000
Mayor	\$667,000	\$800,000

# Qualification Requirements

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- Be certified to appear on the ballot.
- Be opposed by someone who is certified to appear on the ballot.
- Agree to participate in debates.
- Limit personal spending.
- Limit overall spending.
- Receive threshold levels of contributions.

# Spending Limits

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- **Maximum personal spending**
  - \* \$31,000 for Council candidates.
  - \* \$124,500 for Citywide candidates.
- **Maximum overall spending**

Office	Primary	General
City Council	\$480,000	\$400,000
Controller	\$1,119,000	\$840,000
City Attorney	\$1,259,000	\$979,000
Mayor	\$2,798,000	\$2,237,000



# Spending Limits Lifted

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<b>Scenario 1</b>	<b>Scenario 2</b>
<p>A non-participating candidate spends more than the overall spending limit in that race.</p>	<p>Independent spending reaches the following aggregate amounts:</p> <ul style="list-style-type: none"><li>• \$77,000 in City Council races.</li><li>• \$155,000 in Controller and City Attorney races.</li><li>• \$309,000 in Mayoral races.</li></ul>

# Qualifying Contribution Thresholds

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Office	Threshold	Per Contributor (individual or entity)
City Council	\$25,000	Up to \$250
Controller	\$75,000	Up to \$500
City Attorney	\$75,000	Up to \$500
Mayor	\$150,000	Up to \$500

*Beginning in 2015:*

- *Qualifying contributions must come from City residents.*
- *Council candidates must receive at least 200 qualifying contributions of \$5 or more from district residents.*

# Matching Formula

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- **Matchable contributions must be received:**
  - \* Within 12 months of the election; and
  - \* From individuals (*beginning 2015, from City residents*).
- **Maximum match per contributor:**
  - \* \$250 for Council candidates.
  - \* \$500 for Citywide candidates.
- **Rate of match:**

Primary	General
2:1 rate of match	4:1 rate of match 1/5 grant up front

# Achievements

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- 78% of all candidates have participated since program inception (1993).
- 49% of participants have received funding.
- \$27,362,494 paid to candidates since inception.
- \$12,269,000 anticipated payments in 2013.

# Lessons

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- Helps candidates wage viable campaigns.
- Allows candidates to devote more time to reaching voters (less fundraising and more communicating).
- Term limits (local and state) play a role.
- Participation rates increase in open-seat elections.
- Independent expenditures have grown exponentially.

# Advice

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- A public financing program needs a guaranteed source of funding.
- It should be part of a comprehensive campaign finance system (disclosure, fundraising windows, etc.).
- Periodic reviews are important for reevaluating evolving factors (term limits, IEs, etc.).
- Consider automatic CPI adjustments.