



The League of Women Voters of Portland

310 SW 4th Avenue, Suite 520, Portland, OR 97208

(503) 228-1675 • info@lwvpx.org • www.lwvpx.org

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Debbie Aiona, League of Women Voters of Portland

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Introduction

In May 2005, Portland became the first city in the nation to adopt a full publicly funded campaign finance system. The system became available to Portland's 2006 candidates for mayor, commissioner, and auditor. It survived three election cycles and was repealed in November 2010 by a 1,600-vote margin.

Goals of your city's program/former program

City leaders and the community had a number of goals for our Voter-Owned Elections program. We expected it to:

- Reduce the perceived influence of large donors and special interests in campaigns.
- Level the playing field so candidates with broad grassroots support could have the financing needed to run effective campaigns.
- Allow candidates to spend more time talking to voters.
- Increase competition.
- Increase representation among under-represented groups.
- Reduce overall campaign spending.
- Reverse the trend of candidates, especially incumbents, relying on large contributions from a few contributors.

Structure of the city's program/former program

Portland's Campaign Finance Fund was a voluntary program providing public funding for qualifying candidates for mayor, commissioner, and auditor. To qualify, candidates were required to collect a sufficient number of small contributions and agree to spending limits. They also agreed to strict limitations on their campaign expenditures and in-kind contributions, and were subject to penalties for violations.

The cycle began 21 days after the biennial general election with an

exploratory period. Candidates could collect a limited amount of seed money in contributions up to \$100 to use for campaign related expenses such as printing and mailing materials, telephone services, and limited office staff. Seed money collections could not exceed 10 percent of the primary allocation amount, which, for example, was \$150,000 for a commissioner race. In-kind contributions up to six percent of the full allocation were also permitted.

Once the qualifying period started, candidates notified the auditor of their intention to participate and began collecting the required number of qualifying \$5 contributions. Those who reached the threshold were eligible to receive their allocation for the primary election, minus the amount collected in seed money and \$5 contributions.

Matching funds were made available when non-participating candidates spent more than the campaign finance fund limit. Independent expenditures also were matched.

Program achievements

Over three election seasons, Portland's Voter-Owned Elections attracted 42 candidates who declared their intent to participate, with 11 qualifying, and two who were decertified. Many of the qualifying candidates had long histories of public involvement and strong community ties. In post-election interviews, many reported that they would not have run for office without public financing.

In addition to attracting candidates, voter involvement increased. Candidates, including one incumbent whose prior races were funded with private contributions, reported spending more time interacting with voters. Qualifying contributions came from residents in nearly all neighborhoods, a contrast to privately funded candidates, many of whose contributions came from downtown and the wealthier parts of the city.

The 2008 mayoral race demonstrated the potential for reducing campaign spending both individually and overall with a return to spending levels not seen in over 20 years. The two leading candidates who were both privately financed kept their expenditures close to the maximum that would have applied to publicly financed candidates. One limited individual contributions to \$500. The commissioner candidate who had a participating candidate as an opponent, kept his expenditures under the limit to avoid triggering the matching funds provision. Oregon has no contribution limits, so reductions in the size of individual contributions help decrease the perception that donors may be influencing official decisions.

The 2008 race attracted a diverse group of candidates. Of the 15 who filed a Declaration of Intent to Participate, eight were African American, Asian American, Native American, or women, and two were openly gay. Of the six who qualified, one was African American and one a woman.

It is typically difficult to defeat incumbents, and although public financing may not change that reality, Voter-Owned Elections does encourage meaningful opposition and forces

incumbents to address issues they may have avoided with a weaker competitor.

Lessons learned

- It is essential that the program be adequately funded so that candidates have the resources needed to mount a credible campaign and that the fund itself does not run short in the event a large number of candidates qualify. Portland's program used the general fund overhead model and City Council placed a limit of two-tenths of one percent on the amount it could assess. The fund never came close to using the amount allowed and cost about \$1 per resident per year.
- Require all publicly funded candidates to attend a mandatory training session prior to certification and create an instruction manual.
- Carefully consider the types of expenditures to allow. Portland prohibited spending campaign money on such items as outstanding debt, payments to family members, contributions to other candidates, independent expenditures, and election night parties.
- Require frequent reporting of campaign expenditures and rigorous oversight to ensure money is being spent for legitimate purposes. Portland learned this lesson the hard way when one of its candidates spent the money for unauthorized uses and was decertified. Although she did return the unspent money, she has not yet given back all the funds she owes the city or paid the fines that were imposed.
- Set clear rules about spending on polling in the early stages of a campaign. Portland chose to limit expenditures to what could be paid for with seed and qualifying contribution dollars. One mayoral candidate was disqualified after it was learned that the business community had paid for a poll, the cost of which exceeded the pre-qualification spending limits.
- Require unspent money and fixed assets to be returned to the fund.
- Limit donors of qualifying contributions to registered voters. In an attempt to increase involvement in campaigns, Portland initially allowed residents to participate by becoming contributors. One candidate's consultant engaged in forgery and was later convicted. Registered voters' signatures can be verified, thus reducing the opportunity to game the system.
- Give careful consideration to optimum qualifying periods and make plans for how to handle special elections in the event of a vacancy.
- To reduce administrative burden, require candidates to turn in their signatures for verification once they have reached specific thresholds.
- Create a campaign commission to advise on implementation of the system, review qualifying thresholds and campaign allocations, and recommend adjustments when necessary. The commission also should be responsible for preparing biennial reports that review and evaluate the system and recommend code changes to City Council.

How your program has adapted to the recent Supreme Court Decision?

If we had won the election to retain Voter Owned Elections, the city would have modified

the program in response to the court's decision. There was an awareness among city hall officials that changes would need to be made, but the 2010 election results eliminated the need.

Resources

Publicly Financed Campaigns, November 2010

Portland Voter Owned Elections Law

<http://www.portlandonline.com/auditor/index.cfm?c=52759&a=301715>

Publicly Financed Campaigns in Portland, from the offices of Auditor Gary Blackmer and Commissioner Erik Sten, March 22, 2005

http://www.portlandonline.com/auditor/index.cfm?mode=search&search_action=SearchResults&filter_category_tree_id=25948&search_words=campaign+finance+proposal&x=10&y=9

Citizen Campaign Commission

First Report to the City Council and Citizens of Portland, April 2007

<http://www.portlandonline.com/auditor/index.cfm?c=44428>

Citizen Campaign Commission

Second Biennial Report to City Council and Citizens of Portland, April 2009

<http://www.portlandonline.com/auditor/index.cfm?c=44428>

Portland City Club Report on Ballot Measure 26-108, October 2010

<http://pdxcityclub.org/content/city-club-report-ballot-measure-26-108>

Common Cause Oregon, Voter-Owned Elections: Improving Portland Politics 2006-2010

<http://www.commoncause.org/atf/cf/%7Bfb3c17e2-cdd1-4df6-92be-bd4429893665%7D/FINAL%20FINAL%202006%202010%20VOE%20ANALYSIS.PDF>

Voter-Owned Redux, Willamette Week, Aaron Mesh, January 23, 2013

http://www.wweek.com/portland/article-20178-voter_owned_redux.html