

Memo

To: Commissioners
From: Wayne Barnett
Date: February 27, 2008
Re: Public Financing

Background

Identical bills have passed both the House and Senate authorizing communities to enact local public financing subject to voter approval of a plan. While passage is not assured, it seems likely that one of the two bills will be taken up by the other body and passed this session.

If Seattle wants to have a plan in place for the '09 election cycle, the best case scenario would be for the City Council to pass an ordinance by mid-July placing the issue before the voters on the November ballot. City Council has asked for a briefing on public financing on March 17th. To the extent the Commission is ready to provide recommendations, I will convey those to the City Council at the briefing. To the extent I am merely able to discuss the different choices on the table, I will do so.

Attached to this memorandum is a matrix providing a side-by-side comparison of Portland's full public financing system and San Francisco's partial public financing system. I chose Portland and San Francisco from among the 15 localities with public financing plans because they are similar-sized West Coast cities, and have adopted very different public financing plans, plans that exemplify the two ways that cities have, to date, publicly financed campaigns. I hope the matrix will inform our discussion.

As a threshold matter, the Commission will first have to decide whether it wants to recommend adopting a public financing plan. For the following reasons, staff recommends that the Commission recommend that the City Council adopt such a plan.

- Over the last few election cycles, we have seen decreasing numbers of donors providing increasingly larger donations. Both types of public financing provide incentives for campaigns to solicit smaller donations. Portland's public financing also requires campaigns to solicit large numbers of small donations.

- As campaigns grow ever more expensive, it is reasonable to expect that some qualified candidates have been, or will be, “priced out of the market,” depriving the electorate of an array of good choices.
- The time that candidates spend fundraising is time that they cannot spend on “retail politics,” or becoming versed in the issues facing the City. It is reasonable to expect that some candidates forgo seeking election knowing the time they will need to spend soliciting campaign contributions.
- Diminishing the role that private financing plays in City campaigns should enhance the public’s confidence that decisions are made in the public interest.

If the Commission does recommend public financing, the next question will be whether it prefers full “Portland-style” public financing, or partial “San Francisco-style” public financing. Staff recommends that the Commission recommend Portland-style public financing to the City Council. Full public financing would level the playing field and diminish the role of private contributions in campaigns to a degree that a matching fund program cannot.

For those of you interested in doing more in-depth research into local public financing, I commend to your attention the following sites:

- Portland City Auditor’s Campaign Finance Fund page, especially the reports prepared by the Citizen Campaign Commission:
www.portlandonline.com/auditor/index.cfm?c=27115
- San Francisco Ethics Commission’s Campaign Finance page:
www.sfgov.org/site/ethics_page.asp?id=13930
- Center for Governmental Studies chart detailing the 15 locally adopted public financing plans: www.cgs.org/images/publications/pub_fin_local_2007.pdf
- Evergreen Freedom Foundation’s 2007 Brief: Washington Should Reject Taxpayer-Funding for Campaigns: www.effwa.org/main/article.php?article_id=1848