



**Legislative Department
Seattle City Council
Memorandum**

Date: December 14, 2012

To: Seattle Ethics and Elections Commission

From: Council President Sally Clark
Councilmember Nick Licata
Councilmember Mike O'Brien
Councilmember Tom Rasmussen

Subject: Request for evaluating campaign public financing models and recommending a proposal to the City Council

First of all, we want to thank the Commission for your careful consideration of regulatory changes related to surplus campaign funds and limiting the election cycle fundraising period. Your feedback and guidance was an important part of the Council's deliberations earlier this year. We appreciate that you share our ongoing interest in improving Seattle's electoral system.

You may recall that when we first initiated a discussion with the Commission on potential local campaign finance reforms, we articulated our vision for a broader conversation around what could be possible at the local level to address a growing concern about money in politics and other institutional barriers to more people choosing elected public service. We are now ready to have that broader discussion and would like to focus on a specific concept: public financing of campaigns.

In 2008, the Council convened an advisory committee, with participation of the SEEC, to examine public financing and propose possible models for implementation. This report provided a foundation for discussion later that year by the Full Council. Interest was strong to advance a proposal for consideration by Seattle's voters. However, with an emerging economic downturn that ultimately plunged the nation into recession and certainty that deep City budget cuts were on the horizon, Council decided to shelve consideration of public financing given other pressing priorities. Four years later, we are now ready to revisit the 2008 advisory committee proposals.

Policy Goals

For this new effort, we want to provide some clarity around our goals. The 2008 report highlighted a number of potential objectives but also provided additional insight as to the relative effectiveness of public financing to achieve those goals. We believe that any new proposal ultimately presented to the voters should reasonably achieve the following:

- 1. Increase electoral competitiveness.** The proposed public financing system should help increase the number of candidates running for local office. Given the electorate more choices is a positive outcome for the democratic process.
- 2. Reduce financial barriers to entry for candidates.** A corollary to goal one, the public financing model should reduce the current perception that it “costs too much” to run for office. The model should provide for a reasonable financial path to running a competitive campaign.
- 3. Increase the role and emphasis of small donors participating in the electoral process.** As stated in SMC 2.04.400, “the City finds it is in the public interest to encourage the widest participation of the public in the electoral process, to reduce the dependence of candidates on large contributions...” The public financing proposal should create an incentive for candidates to pursue small contributions from Seattle’s residents.

SEEC Review

This is a policy area where the ground is constantly shifting. Since 2008, new case law has narrowed what is legally permissible for public financing. We are also eager to learn if any local programs across the country have changed and whether new models are now in place as lessons have been learned. Furthermore, we are always open to hearing about new research, findings and perspectives that have emerged regarding public financing programs. For these reasons, we would like to call upon the Commission for your assistance once again. We are requesting that the Commission:

1. Review the 2008 report and examine the two models proposed by the Committee;
2. Examine the impact of new case law and noteworthy changes to existing programs from other local jurisdictions and any new programs that have emerged since 2008;
3. Explore any new research or findings related to the effectiveness of public financing programs in meeting stated goals;
4. Review new local election fundraising data since 2008 and any other data that would help inform the discussion; and
5. Recommend a Seattle specific public financing model and the reasons why the proposal best meets the stated goals for Council consideration.

We ask that the Commission give some consideration to the potential budget implications for funding the model proposed. Though the Council will make the ultimate decisions on funding, we encourage the SEEC to develop a preliminary cost estimate for the program (including potential administrative costs). The Council could choose to fund public financing through an existing City revenue source or ask voters to approve a tax levy. We welcome the Commission’s thoughts on these and other funding approaches.

As the Commission begins its consideration, the Council intends to concurrently host a few “brown bag” panel discussions with public financing experts and administrators from across the country. We encourage the Commission to join us for these discussions to help inform your deliberations.

Finally, we recognize that the Commission has other matters and priorities on its 2013 work program. In order to allow for adequate time for the Council to thoroughly consider placing a public financing proposal before voters in 2013, we request that your report and recommendations be finalized and submitted to us no later than March 1. To assist you in your review, we have assigned Mike Fong from our Council Central Staff to join Director Barnett, his staff, and Jeff Slayton from the Office of the City Attorney to help provide analytical support to your efforts.

Again, thank you for your ongoing service on behalf of Seattle’s residents. Your work is invaluable to the community as well as to the Council. Please do not hesitate to contact any of us if you have questions. We look forward to your final report.