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“Seattle is the first city in the nation to put democracy vouchers in the hands of its residents.”

Wayne Barnett
Executive Director
Seattle Ethics and Elections Commission

I am pleased to present the first biennial report for the Democracy Voucher Program. After the citizen-led initiative known as the Honest Elections Seattle initiative passed in November 2015, our Commission quickly geared up to administer this brand-new program. In 10 short months, we designed and implemented a program with no parallel in the world. It was an honor to have the trust of the public to administer this first-of-its-kind public finance program.

The Seattle Ethics and Elections Commission is committed to upholding the spirit of the initiative throughout the implementation and administration of the Democracy Voucher Program. The initiative set the framework for how we implemented the program and strategically reached Seattle residents. The purpose of the initiative was to give more Seattle residents the opportunity to have their voices heard in our democracy, to preserve values of accountability and transparency in Seattle campaigns, and to encourage more Seattle residents to support their candidates or even to consider running for office themselves.

I am proud to say, after the first-year of implementing the Democracy Voucher Program, we achieved the following:

- Successfully launched a brand-new program and mailed Democracy Vouchers to 540,000 Seattle residents, meeting the January 3, 2017 launch date.
- Provided all key program communications in 15 languages.
- Successfully tracked and processed 80,000 vouchers while fully accounting for $1.04 million in candidate distributions.
- Facilitated a 300% increase in the number of Seattle residents contributing to campaigns.
- Attracted five of the six general election candidates to participate in the program.

After the first year, it is safe to say we learned many lessons. We are excited to use this year’s experiences to improve for the 2019 election and continue engaging more Seattle residents in the election process.
INTRODUCTION

This biennial report includes a summary of the administrative processes and program results from the initial implementation of the Democracy Voucher Program (DVP). In 2017, the races eligible for DVP funding included the two at-large city council positions and the city attorney's position. The program will expand to include the mayor's race in 2021.

PROGRAM BACKGROUND

In November 2015, Seattle voters approved a citizen-led initiative known as “Honest Elections Seattle” (I-122). Among the several campaign finance reforms I-122 initiated, one of the major reforms led to the creation of a new public campaign finance program known as the “Democracy Voucher Program.” I-122 required the Seattle Ethics and Elections Commission (SEEC) to implement and administer the DVP with a high degree of transparency and accountability. The DVP is funded by a 10-year property tax levy of three million dollars per year. The intended goals of the program were to increase the number of contributors in Seattle and increase the number of candidates who run for office. The City of Seattle is the first municipality to implement this innovative public campaign finance program.

The SEEC is an independent nonpartisan commission that enforces the ethics, elections, whistleblower, and lobbying municipal codes for the City of Seattle.
KEY ACCOMPLISHMENTS

SUCCESSFUL LAUNCH
In under 10 months, implemented the nation’s first ever Democracy Voucher Program, meeting the January 3, 2017 launch date.

TRANSLATED MATERIALS
Provided all key program communications in 15 languages.

TRACKED ALL VOUCHERS
Successfully tracked and processed 80,000 vouchers while fully accounting for $1.14 million in candidate distribution.

CANDIDATE PARTICIPATION
Attracted five of the six general election candidates to participate in the Program.

MORE SEATTLE CONTRIBUTORS
Increased the number of Seattle contributors by 300% in 2017.
During the City of Seattle election year, residents receive four $25 Democracy Vouchers from the SEEC. Residents assign their voucher(s) to any candidate(s) participating in the program. Seattle residents then return voucher(s) to the SEEC by mail or e-mail, or return them directly to a campaign. Once the voucher has been validated and after the candidate has completed the qualifying process, the SEEC releases the value of the voucher to the candidate's campaign.

**PARTICIPANT ELIGIBILITY**

Participant eligibility requirements align with the federal requirements establishing who may contribute to political campaigns. To participate in the Democracy Voucher Program, an individual must be:

- At least 18 years or older,
- A U.S. citizen, foreign national, or lawful permanent resident, and
- A Seattle resident.

The SEEC receives participant data from two sources.

1. Under an agreement with King County Elections (KCE), the SEEC receives the list of all registered voters in Seattle.
2. Residents who are not registered can apply to receive their vouchers. In designing the application process, the SEEC considered several competing priorities, primarily the City's directive to limit the amount of personally identifying information collected, Seattle's very open public disclosure laws, the need to ensure that vouchers are not distributed to ineligible residents, and the desire to protect residents who are ineligible to participate from inadvertently violating federal law. These factors compounded the complexity inherent in reaching out to Seattle's diverse language and cultural communities.

The Democracy Voucher Program staff consulted
with stakeholders to ensure the application was designed to present a low barrier to entry while protecting both public funds and those who are ineligible to make a contribution. The following groups contributed significantly to the development of the application:

- Northwest Immigrants’ Rights Project
- City of Seattle Attorney’s Office
- Democracy Voucher Program Advisory Committee
- City of Seattle IT Privacy Group

**IMPLEMENTATION & ADMINISTRATION**

**Establish Resident Communication Channels**

**Language Services**

I-122 requires key program materials to be made available in 15 languages: Amharic, Cambodian, English, Korean, Lao, Oromo, Russian, Simplified Chinese, Somali, Spanish, Tagalog, Thai, Tigrinya, Traditional Chinese, and Vietnamese. Key documents included informational mailers, the Democracy Voucher packet, candidate qualifying documents, resident application, dedicated language web pages, advertisements, and posters.

In all, 21 pages of key materials were translated for a cost of $42,000.

**Democracy Voucher Hotline**

The Democracy Voucher Hotline (206-727-8855) received 1,622 calls from December 2016 to December 2017. January saw the highest number of incoming calls by far, with 470 calls.

Seventy-three calls requesting language assistance were placed to the hotline in 2017, totaling 700 minutes for a total cost of $518. Languages served included Vietnamese, Cantonese, Mandarin, Russian, Amharic, Spanish, Korean, Somali, Oromo, Tagalog, Laotian, and Arabic.

**Program Website**

In 2017, there were 2,312,845 page views of the program website and 1,848,199 unique views of the program website.

The program website included language pages translated in 15 languages offering information about eligibility, how to apply, how to run as a candidate, and how to use the program.

**Social Media**

The program used Facebook and Twitter to disseminate information quickly to Seattle residents and media outlets.

In 2017, the program spent $1,000 purchasing Facebook advertisements to connect residents with information about participating candidates, how to apply, how to request replacement vouchers, and where outreach events occurred in Seattle neighborhoods.

**Focus Groups**

With guidance from the program Advisory
Committee, the SEEC identified a vendor and four communities to conduct focus groups designed to:

- Determine a baseline knowledge or awareness of the Democracy Voucher Program and Honest Elections Initiative (or I-122).
- Improve the messaging and design of the vouchers and an introductory mailer.
- Inform the messaging, design, and the communications strategies of the program.

The focus groups were conducted in English, Somali, Spanish, and Vietnamese. Some key findings were:

1. The majority of focus group participants (65%) had never contributed to a candidate or campaign.
2. Ninety-five percent had never heard of the Democracy Voucher Program.
3. Reaction to the program ranged from excitement to skepticism.
4. Many participants wanted to know more about the purpose of the program and how it was funded.

Programmatic impacts included:

- Enlarged the City of Seattle logo and added the dates the vouchers could be used.
- Refined program messaging such as adding the word "local" to the phrase "a new way to fund local campaigns" and included more information about the program's purpose.
- Participants also shared that some individuals might wrongly believe that vouchers are a new way to vote, which influenced program messaging in presentations and conversations with the public.

Open Registration

In December 2016, the SEEC opened registration to all Seattle residents, focusing on resident communities who may not be part of the initial voucher distribution. In total, only six applications were received from this December effort.

Press releases went out to over 150 media contacts and local media purchases included Real Change, Somali Runta News, International Examiner, a PSA with Chinese Seattle Radio in Mandarin, and Northwest Vietnamese News.

Several local ethnic media and local media outlets covered this event at no cost.

Informational Mailer

Also in December, the SEEC sent an informational mailer to 340,000 Seattle residential addresses. The
mailer introduced the program to Seattle residents as well as invited residents to apply for vouchers who might not be on the initial voucher distribution list. The mailer included the statement below, translated into 14 languages, and contained a link to a language-specific landing page on the program website.

"Beginning January 2017, the new Democracy Voucher Program makes it easier to participate in local elections. To learn more or apply, visit www.seattle.gov/democracyvoucher/[language]."

Technology and Administration

Voucher Tracking and Accountability

The SEEC worked with Seattle IT to identify a technology solution able to track the progress of vouchers from distribution to redemption and to set up a program Steering Committee.

Steering Committee members included City representation from the Mayor’s office, the Office of Immigrant and Refugee Affairs, City Budget Office and Finance and Administrative Services, as well as Council central staff.

Early efforts to locate a secure and accountable tracking system were met with issues of high cost and/or long lead time for development of this unique program. The system had to be in production by December 2016 to generate more than two million unique vouchers and get the print file off ready for the January 3, 2017 mailout date.

Requirements included:

- Accurate voucher tracking from the time of initial generation and delivery, to the return of the voucher to SEEC for processing, and through assignment to a campaign or other status.
- Provide transparent data for external review and analysis of program participation.
- Establish rule checking and error handling to identify duplicate, incomplete, or erroneous data.
- Ensure system security is auditable, able to provide notification of access as well as notification and refusal of unauthorized access.

The SEEC selected a technology vendor and finalized requirements by July 2016. The system was in production on time and successfully generated and accounted for over two million vouchers.

Combined costs for technology solution and staffing were under $300,000.
Voucher Printing and Mailing
Another significant implementation project was selecting a vendor to assist with designing, printing, and mailing more than 500,000 voucher packets to Seattle residents.

Vendor requirements included:

- Print, mail, and deliver Democracy Vouchers to participants through a partnership with the United States Postal Service.
- Print and prepare Democracy Vouchers for on-time mailing to participants.
- Ensure that Democracy Vouchers were accurate, legible, and the barcodes were machine readable.

The SEEC worked with City purchasing to identify potential vendors. The winning bid was awarded to a Women and Minority Business Enterprise, for a contract valued at $350,000. The vendor met all mail out deadlines.

Democracy Voucher printing and mailing services totaled $358,000.

Office and Staffing
With the Democracy Voucher Program added to the SEEC’s existing responsibilities, staffing and space needs grew by nearly half. A program manager was hired February 2016 and two public relations specialists were hired in June. By October, the team had moved into a newly constructed space that allowed for additional temporary staffing and voucher processing.

Office construction costs totaled $250,000 and two-year staffing costs totaled $687,000.

DISTRIBUTING DEMOCRACY VOUCHERS
In the initial distribution of Democracy Vouchers, the SEEC mailed more than two million Democracy Vouchers to more than 508,000 Seattle residents on January 3, 2017. The SEEC mailed vouchers to new Seattle residents through October.

Cumulatively, the SEEC distributed Democracy Vouchers to a total of 546,258 residents in 2017, including 187 Seattle residents who applied for Democracy Vouchers.

Printing and Mailing Paper Vouchers
The SEEC mailed the majority of vouchers through a vendor and also had the ability to issue and mail vouchers on demand.

Each packet that was mailed contained:

- A 6x9" outbound envelope with a window for the resident name and address.
- One Business Reply Mail (BRM) envelope with which the resident could return their vouchers postage paid.
• An informational sheet explaining how to use the vouchers as well as a statement in 15 languages describing where to find materials in additional languages.
• An 11x17" sheet containing answers to frequently asked questions as well as four vouchers, perforated for easy separation.

The average cost to print and mail a paper voucher packet was $0.63.

Replacement Voucher Options
The SEEC and campaigns facilitated voucher replacements for residents who no longer had their vouchers.

Residents could request replacements by phone/e-mail, a webform, or in person. Residents provided minimal information including name, date of birth, and e-mail/mailing address. The SEEC then used this information to determine if the resident was still eligible for vouchers and if so, issued the replacements immediately.

• The SEEC reissued 13,000 Democracy Vouchers to 3,500 Seattle residents. Of those, 8,500 replacement vouchers were returned for a 65% return rate.
• Over 550 Seattle residents accessed a web-based replacement form.
• Another 208 residents completed replacement requests in person through staff outreach at community events.

Campaigns had the option of using a Democracy Voucher Replacement Form for campaigns. This option was developed with input from campaigns, local community groups, and members of the program’s Advisory Committee.

Campaigns and their registered representatives used this form to facilitate an immediate replacement option when interacting directly with residents. Completed forms were returned to the SEEC and processed using the same standards as regular vouchers. Fifty-four percent of replacement vouchers were completed through a campaign form.

Campaigns interacted with 2,071 residents using this form, collecting 7,192 vouchers.
Returned Democracy Vouchers

Voucher returns peaked just before the primary and general elections. The chart below tracks vouchers assigned to participating candidates through 2017. In 2017, Seattle residents assigned 72,091 vouchers. This number does not include vouchers returned to a non-participating candidate.
Residents had several options to return vouchers. Residents used the postage-paid envelope, returned an image of the voucher by e-mail, or handed their vouchers directly to a campaign.

Seventy-eight percent of Seattle residents returned their vouchers using the postage-paid envelope. Over 16,000 BRM envelopes were returned at $0.56 per envelope. Twenty percent of vouchers were returned directly to campaigns and the remaining two percent of vouchers were returned in person/by e-mail to the SEEC office or delivered to a City of Seattle Customer Service Center.

Democracy Vouchers by Return Method

- By mail to the SEEC: 78%
- To a campaign: 20%
- By e-mail/in-person to SEEC/Customer Service Center: 2%
Vouchers were returned from all over the city and there was representation from all seven council districts. The map shows the number of Seattle residents who returned at least one voucher.
Participants had the option of returning 1, 2, 3, or all four vouchers. The majority of participants returned all four.

Participants could assign their vouchers to a single candidate or distribute among multiple candidates. Seventy-six percent of participants gave all four vouchers to a single candidate.
Processing Vouchers

In addition to regular program staff, three temporary staff were hired to process vouchers. After receiving vouchers at the SEEC, staff scanned the voucher’s barcode and updated the participant’s record in the Democracy Voucher database. From there, the voucher was either delivered to King County Elections, where the signature was checked against the voter registration record, or was checked by the SEEC against the signature on an individual’s program application. After verification, the participant’s record was updated with the result.

Ninety-eight percent of vouchers were accepted on the first pass. Most of the remaining two percent were signatures that did not match. The SEEC notified participants of the issue and provided an opportunity to respond.

CANDIDATES

Pledging

To participate in this program and collect Democracy Vouchers, candidates must first sign a program pledge, agreeing to program rules including:

- Timely file the declaration of candidacy.
- Agree not to accept contributions from any individual or entity in excess of $250, not including $100 in vouchers.
- Abide by campaign spending limits.
- Participate in at least three public debates or similar events each for the primary and general elections.
- Agree not to solicit money for or on behalf of any political action committee, political party, or any organization that will make an independent expenditure for or against any City of Seattle candidate during the current election cycle.

Once pledged, the candidate’s name appears on the SEEC website and hotline as an eligible candidate able to receive assigned vouchers from residents.

Participating candidates are also subject to contribution and spending limits.

In 2017, 17 City of Seattle Candidates pledged to participate in the Democracy Voucher Program.

<table>
<thead>
<tr>
<th>Democracy Voucher Program Contribution and Expenditure Limits</th>
<th>City Attorney</th>
<th>City Council At-large</th>
<th>City Council District</th>
<th>Mayor (2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Contribution Limit*</td>
<td>$250*</td>
<td>$250*</td>
<td>$250*</td>
<td>$500</td>
</tr>
<tr>
<td>Campaign Expenditure Limits Primary Election Only</td>
<td>$75,000</td>
<td>$150,000</td>
<td>$75,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Combined Campaign Expenditure Limits for Primary and General Election</td>
<td>$150,000</td>
<td>$300,000</td>
<td>$150,000</td>
<td>$800,000</td>
</tr>
</tbody>
</table>

*These limits do not include Democracy Voucher values.*
Qualifying

To receive funds, candidates must complete a qualifying process, collecting a minimum number of qualifying contributions between $10 and $250 from Seattle residents who are eligible to make campaign contributions. After collecting the required number of qualifying contributions, campaigns deliver the lists of names/contributions to the SEEC.

<table>
<thead>
<tr>
<th>Candidate Position</th>
<th>City Council At-large</th>
<th>City Council District</th>
<th>City Attorney</th>
<th>Mayor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Contributions</td>
<td>400</td>
<td>150*</td>
<td>150</td>
<td>600</td>
</tr>
</tbody>
</table>

*Half (75) of the 150 qualifying contributions for the City Council District position must come from within the district.

Two audits are performed by the SEEC:

- Review campaign filings to ensure the contribution was at least $10.
- Confirm the individual is a Seattle resident who made the contribution. For 2017, campaigns collected a contributor signature that was submitted to King County Elections to confirm the named individual made the assignment and resides in Seattle.

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Position</th>
<th>Pledge Signed</th>
<th>Date Qualified</th>
<th>Weeks to Qualify</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pete Holmes</td>
<td>City Attorney</td>
<td>12/7/2016</td>
<td>2/8/2017</td>
<td>9</td>
</tr>
<tr>
<td>Jon Grant</td>
<td>City Council Pos. 8</td>
<td>11/30/2016</td>
<td>2/10/2017</td>
<td>10</td>
</tr>
<tr>
<td>Mac Scotty McGregor</td>
<td>City Council Pos. 8</td>
<td>1/6/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Teresa Mosqueda</td>
<td>City Council Pos. 8</td>
<td>1/6/2017</td>
<td>3/2/2017</td>
<td>8</td>
</tr>
<tr>
<td>Sheley Secrest</td>
<td>City Council Pos. 8</td>
<td>1/13/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Hisam Goueli</td>
<td>City Council Pos. 8</td>
<td>1/30/2017</td>
<td>07/28/2017</td>
<td>26</td>
</tr>
<tr>
<td>Jennifer Huff</td>
<td>City Council Pos. 8</td>
<td>2/15/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Rudy Pantoja Jr</td>
<td>City Council Pos. 8</td>
<td>4/7/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Roger Kluck</td>
<td>City Council Pos. 9</td>
<td>1/6/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Lorena González</td>
<td>City Council Pos. 9</td>
<td>1/9/2017</td>
<td>9/19/2017</td>
<td>36</td>
</tr>
<tr>
<td>Ryan Edward Asbert</td>
<td>City Council Pos. 9</td>
<td>1/13/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>James Passey</td>
<td>City Council Pos. 9</td>
<td>2/22/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Eric Smiley</td>
<td>City Council Pos. 9</td>
<td>3/2/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Ian Affleck-Asch</td>
<td>City Council Pos. 9</td>
<td>5/11/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Pat Murakami</td>
<td>City Council Pos. 9</td>
<td>5/12/2017</td>
<td>8/11/2017</td>
<td>13</td>
</tr>
<tr>
<td>Pauly Giuglianotti</td>
<td>City Council Pos. 9</td>
<td>5/19/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Ty Pethe</td>
<td>City Council Pos. 9</td>
<td>5/31/2017</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>
In the first year, 13 Democracy Voucher Program Candidates appeared on the primary ballot and five appeared in the general election.

### 2017 Primary Candidates

<table>
<thead>
<tr>
<th>City Council Position 8</th>
<th>City Council Position 9</th>
<th>City Attorney</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hisam Goueli*</td>
<td>Eric Smiley</td>
<td>Pete Holmes*</td>
</tr>
<tr>
<td>Jon Grant*</td>
<td>Ian Affleck-Asch</td>
<td>Scott Lindsay**</td>
</tr>
<tr>
<td>Mac McGregor</td>
<td>Lorena González</td>
<td></td>
</tr>
<tr>
<td>Rudy Pantoja</td>
<td>Pat Murakami</td>
<td></td>
</tr>
<tr>
<td>Sheley Secrest</td>
<td>Pauly Giuglianiotti</td>
<td></td>
</tr>
<tr>
<td>Teresa Mosqueda*</td>
<td>Ty Pethe</td>
<td></td>
</tr>
<tr>
<td>Charlene Strong**</td>
<td>David Preston**</td>
<td></td>
</tr>
<tr>
<td>Sara Nelson**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Qualified to receive Democracy Voucher funds  **Not a Democracy Voucher Program Candidate

### 2017 General Election Candidates

<table>
<thead>
<tr>
<th>City Council Position 8</th>
<th>City Council Position 9</th>
<th>City Attorney</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jon Grant*</td>
<td>Lorena González</td>
<td>Pete Holmes*</td>
</tr>
<tr>
<td>Teresa Mosqueda*</td>
<td>Pat Murakami*</td>
<td>Scott Lindsay**</td>
</tr>
</tbody>
</table>

Campaign Disbursements

I-122 requires the SEEC set a budget ensuring that for any given election year, the program can fully fund six candidates per race. For 2017, $3 million of the budget was reserved for candidate disbursements.

During the 2017 election cycle, the SEEC generated 64 invoices and distributed more than one million to campaigns. The unused voucher funds remain in the program budget for future election years.

### Campaign Disbursements

<table>
<thead>
<tr>
<th>Candidate Name</th>
<th>Candidate Position</th>
<th>Vouchers Redeemed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hisam Goueli</td>
<td>City Council Position 8</td>
<td>1,102</td>
<td>$27,550</td>
</tr>
<tr>
<td>Jon Grant</td>
<td>City Council Position 8</td>
<td>12,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Teresa Mosqueda</td>
<td>City Council Position 8</td>
<td>12,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Lorena González</td>
<td>City Council Position 9</td>
<td>8,527</td>
<td>$213,175</td>
</tr>
<tr>
<td>Pat Murakami</td>
<td>City Council Position 9</td>
<td>6,107</td>
<td>$152,675</td>
</tr>
<tr>
<td>Pete Holmes</td>
<td>City Attorney</td>
<td>5,885</td>
<td>$147,125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>45,621</strong></td>
<td><strong>$1,140,525</strong></td>
</tr>
</tbody>
</table>