

# **Towards a Small Donor Democracy in the District of Columbia:**

## **Citizens Fair Election Program Amendment Act of 2015 Bill FAQ**

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### **Why do we need small donor empowerment legislation in DC?**

Democracy works best when our representatives are focused on their constituents, rather than dialing for dollars from large donors or courting the favor of special interests. In the District of Columbia, candidates for office too often must depend on wealthy donors who can give far more than the average D.C. resident can afford. .

The undemocratic role of big money is especially exclusionary for people of color, who are severely underrepresented in the “donor class.” In the current campaign finance system, wealthy donors making large campaign contributions can drown out the voices of everyday D.C. residents. Small donor empowerment legislation would advance racial equality in our democracy and promote government of, by, and for the people.

### **How does small donor empowerment work?**

Campaign finance programs that empower small donors would fight the influence of big money, empower everyday D.C. residents, make sure every voter’s voice matters in our elections and promote racial justice. Small donor empowerment programs provide public matching funds to campaigns for small contributions, allowing candidates that focus on seeking the broad support of the public to compete with candidates who rely on a narrow set of large donors. In exchange for receiving matching funds, candidates must forgo large contributions, and turn down money from special interests.

### **How effective are small donor empowerment systems?**

The track record of small donor systems is impressive. In New York City, where small contributions are matched at a six-to-one ratio, small donors of all means have played an increasingly meaningful role in funding campaigns. For example, in the 2013 city council race, participating City Council candidates got 61% of their contributions from small donations and matching funds. That year, 92 percent of candidates running in the primary participated.

The demand for similar systems is growing from coast to coast, with successful ballot measures creating and strengthening small donor empowerment programs in Maine and Seattle in 2015. Montgomery County, Maryland adopted a similar program in 2014.

## **Who is eligible to receive matching funds?**

Elections for Mayor, City Council, and Attorney General would be covered by the small donor empowerment program. Candidates must demonstrate a robust level of public support to qualify for the DC Citizen Fair Election program:

Candidates must prove their viability by hitting a threshold number, and dollar amount of small contributions from \$100. The threshold will vary depending on which office the candidate is seeking.

- Mayor: 1,500 individuals adding up to \$50,000
- Attorney General and Council Chair: 750 individuals adding up to \$30,000
- At-large council seat: 500 individuals adding up to \$15,000
- Ward seat: 150 individuals adding up to \$5,000

Qualifying contributions can only come from DC residents.

## **How does this program amplify the voices of small donors?**

Contributions from small donors to participating candidates each cycle are matched with public funds. To avoid subsidizing deep pocketed donors, only small-dollar contributions of \$100 or less are eligible for matching funds. To ensure that small donor candidates can compete, small contributions will be matched five-to-one with limited public funds.

The total amount of matching funds a candidate can receive is capped based on the average cost of recent winning campaigns in the District of Columbia. A cap on the total amount of matching funds available to each qualifying candidate will reign in the cost of the program while ensuring participating candidates can be competitive. If a candidate hits the cap, he or she can continue raising unmatched small contributions without being subject to a spending limit to stay competitive with non-participating big money candidates.

Upon qualifying for the program, candidates will receive an initial base grant in order to jumpstart their campaign, in addition matching funds for small contributions they secure. Candidates will receive 60 percent of the grant for the primary election and the remainder of the grant if they make it to the general election.

## **How does this limit the influence of big money and special interests?**

Candidates participating in the program cannot accept contributions larger than \$100 in the aggregate across the full election cycle from any entity or individual to ensure that D.C. residents of all means can have a voice.

Contributions from individuals living outside the District of Columbia are not eligible for matching funds. Participating candidates will be barred from soliciting funds, appearing at a fundraising event, or engaging in other fundraising activity for any outside groups making independent expenditures.

**Would this be a waste of taxpayer money?**

At little or no cost to taxpayers, this proposal will dramatically reduce the influence of big-money campaign donors in D.C. The real way to save taxpayers' money is to end giveaways to big donors and government contractors. These political giveaways cost taxpayers far more than the Fair Elections program would. And, it'd give elected officials more time to focus on the needs of their constituents, instead of dialing for dollars or attending lobbyist fundraisers.

In New York City, the public matching funds used in the 2013 elections, in which 92 percent of candidates on the primary ballot participated, accounted for .06 percent of the city budget.

**Won't this just help fringe candidates get elected?**

No. Voters in D.C. will have the final say about that. In the states and localities with similar laws in place, it hasn't happened. The program requires that participating candidates demonstrate robust levels of public support and the ability to fundraise from small donors before receiving any public funds. And, the current big-money system has certainly led to a fair number of out-of-the-mainstream elected officials who are more responsive to a wealthy, unrepresentative donor class rather than everyday people.

**What safeguards are in place to make sure the system works?**

Strong, independent oversight and administration is critical to a well-functioning matching program. The DC Citizens Fair Election Program Amendment Act establishes the Citizens Fair Election Oversight Office within the Board of Ethics and Government Accountability to administer the program.