

Towards a Small Donor Democracy in the District of Columbia:

Citizens Fair Election Program Amendment Act of 2015 Bill Summary

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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.” We know that in the current campaign finance system, wealthy donors making large campaign contributions can drown out the voices of everyday D.C. residents. There are solutions available that advance racial equality in our democracy and promote government of, by, and for the people.

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.

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. Neighboring Montgomery County Maryland adopted a similar program in 2014 and small donor programs are being considered by localities across the country.

Below is a summary of the Citizens Fair Election Program Amendment Act of 2015 which would establish a small donor empowerment program for DC that would cover the offices of Mayor, City Council, and Attorney General.

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.
- Upon qualifying for the program, candidates will receive an initial base grant of 20 percent of the average cost of a winning campaign for that office over the past two cycles 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 40 percent if he or she makes it to the general election.

Match small contributions with limited public matching funds to 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 of 700 percent of the initial base grant 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.

Candidates that choose to participate in the program must forgo large contributions:

- 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.

A small donor matching program requires effective oversight and a stable source of funding:

- 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.
- To ensure the continued viability of small donor candidacies, the system should be funded consistently and sufficiently to encourage widespread participation. The funding source for the program should be dedicated and protected.
- 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.