

Public Financing in Los Angeles



*The Current Matching Funds Program
& the Ethics Commission's Proposal
for Full Public Financing*

August 21, 2007

Campaign Reform Goals

Foster competitive and accountable city campaigns.

Encourage a broad range of candidates to participate in the electoral process.

Engage voters and promote the discussion of important issues.



Prevent corruption and the appearance of corruption.

Matching Funds

- Authorized and funded by voters in 1990.
- Voluntary program.
- Provides limited matching funds to candidates who:
 - raise a threshold amount of funding;
 - are challenged by another eligible opponent;
 - agree to limit the use of personal funds;
 - agree to limit their spending; and
 - agree to debate their opponents.

Qualification Levels

- Candidates must collect a threshold amount of contributions.
- The contributions must be from individuals.
- The threshold amounts are:

<u>Mayor</u>	<u>Attorney</u>	<u>Controller</u>	<u>Council</u>
\$ 150,000	\$ 75,000	\$ 75,000	\$ 25,000

Matching Funds

Funding Amounts

Dollar-for-dollar match, up to:

	<u>Mayor</u>	<u>Attorney</u>	<u>Controller</u>	<u>Council</u>
<i>Primary:</i>	\$ 667,000	\$300,000	\$267,000	\$100,000
<i>General:</i>	\$ 800,000	\$350,000	\$300,000	\$125,000

Funding Source:

- \$2.6 million per fiscal year from General Fund.
- Required by the Charter.
- Dedicated exclusively to matching funds.

Matching Funds

Spending Limits

	<u>Primary</u>	<u>Runoff</u>
<i>Mayor:</i>	\$2,251,000	\$1,800,000
<i>City Attorney:</i>	\$1,013,000	\$ 788,000
<i>Controller:</i>	\$ 900,000	\$ 676,000
<i>Council:</i>	\$ 330,000	\$ 275,000

Dynamics that Affect Public Funding



Wealthy candidates

Independent expenditures



Full Public Financing

	<u>Matching Funds</u>	<u>Full Public Financing</u>
Voluntary program	✓	✓
Authorized and funded by voters	✓	✓
Requires threshold contributions	✓	✓
Limits the size of contributions	✓	✓
Sets time period for contributions	✓	✓
Imposes spending limits	✓	✓
Limits the use of personal funds	✓	✓
Requires agreement to debate	✓	✓
Accounts for IEs and wealthy candidates	✓	✓

Full Public Financing Comparison Table

	<i>CURRENT MATCHING FUNDS PROGRAM</i>	<i>CEC's FULL PUBLIC FINANCING PROPOSAL</i>
<i>Program Funding Source:</i>	Charter-mandated General Fund appropriation	Charter-mandated General Fund appropriation
<i>Program Funding Amount:</i>	\$2.6 million per fiscal year	\$11.6 million per fiscal year
<i>Total Contributions to Qualify:</i>	Council: \$25,000 Controller: \$75,000 Attorney: \$75,000 Mayor: \$150,000	Council: \$25,000 Controller: \$75,000 Attorney: \$75,000 Mayor: \$150,000

Full Public Financing

Comparison Table *cont'd*

	<i>CURRENT MATCHING FUNDS PROGRAM</i>	<i>CEC's FULL PUBLIC FINANCING PROPOSAL</i>
<i>Maximum Individual Contribution:</i>	Council: \$250 Citywide: \$500	Council: \$250 Citywide: \$500
<i>Source of Qualifying Contributions:</i>	Any individual	Any City resident
<i>Period for Qualifying Contributions:</i>	18 months (Council) or 24 months (Citywide) before a primary.	12 to 9 months prior to the primary election (3 months total).

Full Public Financing

Comparison Table *cont'd*

	<i>CURRENT MATCHING FUNDS PROGRAM</i>	<i>CEC's FULL PUBLIC FINANCING PROPOSAL</i>
<i>Public Funding Provided for Primary Elections:</i>	Council: \$100,000 Controller: \$267,000 Attorney: \$300,000 Mayor: \$667,000	Council: \$350,000 Controller: \$1,000,000 Attorney: \$1,500,000 Mayor: \$3,500,000
<i>Public Funding Provided for General Elections:</i>	Council: \$125,000 Controller: \$300,000 Attorney: \$350,000 Mayor: \$800,000	Council: \$300,000 Controller: \$750,000 Attorney: \$1,200,000 Mayor: \$3,000,000

Full Public Financing

Comparison Table *cont'd*

	<i>CURRENT MATCHING FUNDS PROGRAM</i>	<i>CEC's FULL PUBLIC FINANCING PROPOSAL</i>
<i>Maximum Additional Funds for IEs and Wealthy Candidates (general elections only):</i>	Council: \$50,000 Controller: \$60,000 Attorney: \$90,000 Mayor: \$333,000	Council: \$100,000 Controller: \$250,000 Attorney: \$400,000 Mayor: \$1,000,000
<i>Maximum Personal Funds Allowed:</i>	Council: \$25,000 Citywide: \$100,000	Council: \$10,000 Citywide: \$25,000

Los Angeles City Ethics Commission



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...preserving the public trust