



INVESTING IN THE PUBLIC TRUST:

**Campaign Finance Reform in the City of Los Angeles
15 Years After Proposition H**

Overview of Findings
from the 2005 City Ethics Commission's Post-Election Study

Our Aim

- Provide practical data
- Identify factors shaping effectiveness
- Shed light on impact of reforms
- Offer guiding issues for further consideration

CONTENTS

FOREWORD

EXECUTIVE SUMMARY

LOS ANGELES AS A LABORATORY FOR REFORM
Findings of the Los Angeles City Charter
A Recap of the Laws

THE DYNAMICS OF CITY CAMPAIGNS
An Overview from 2005

Candidate Expenditures and Proposition H
Candidate Expenditures
Spending Limits and How They've Fared
What It Takes to Win
What Candidate Money Buys

Fundraising and the Role of Public Matching Funds
Candidate Fundraising
The Role of Matching Funds
The Role of Individual Donors
The Question of Influence

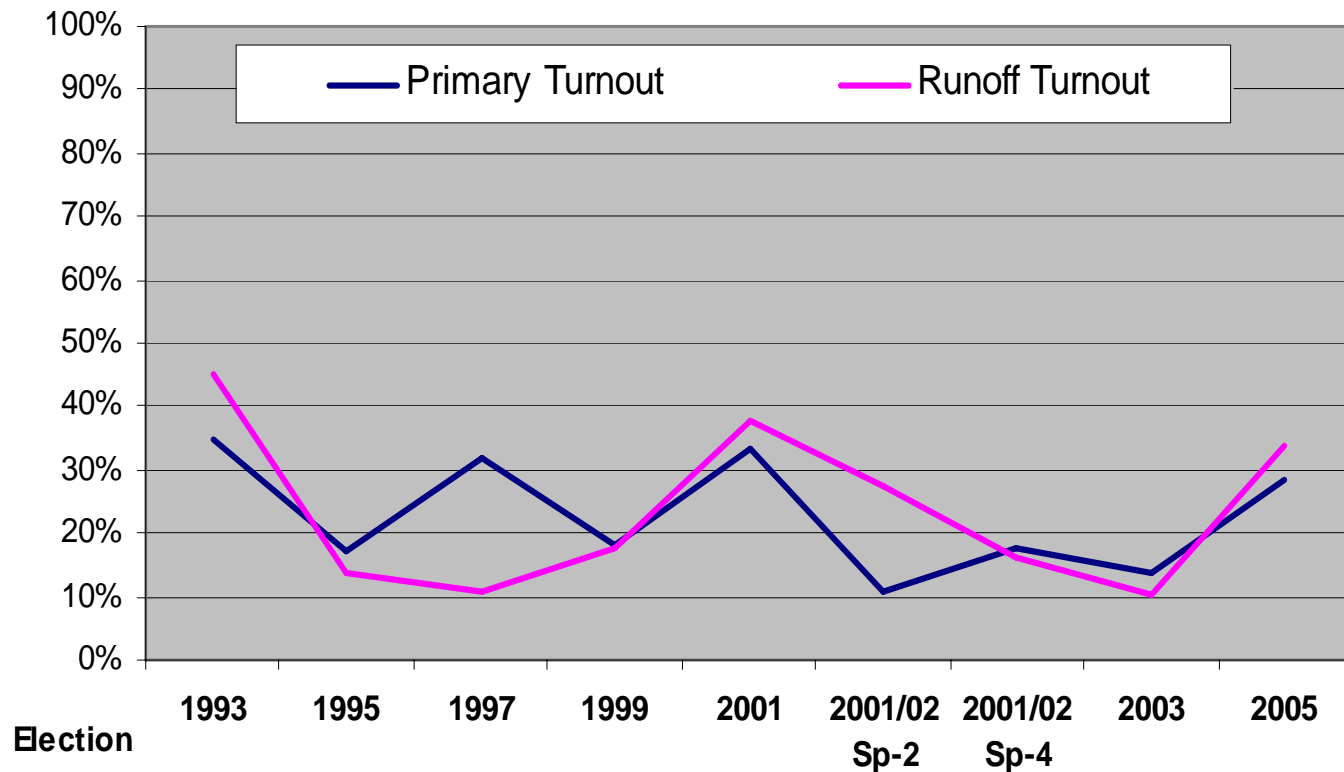
The Role of Non-Candidate Spending

CONCLUDING OBSERVATIONS
AND ISSUES FOR FURTHER CONSIDERATION

APPENDICES

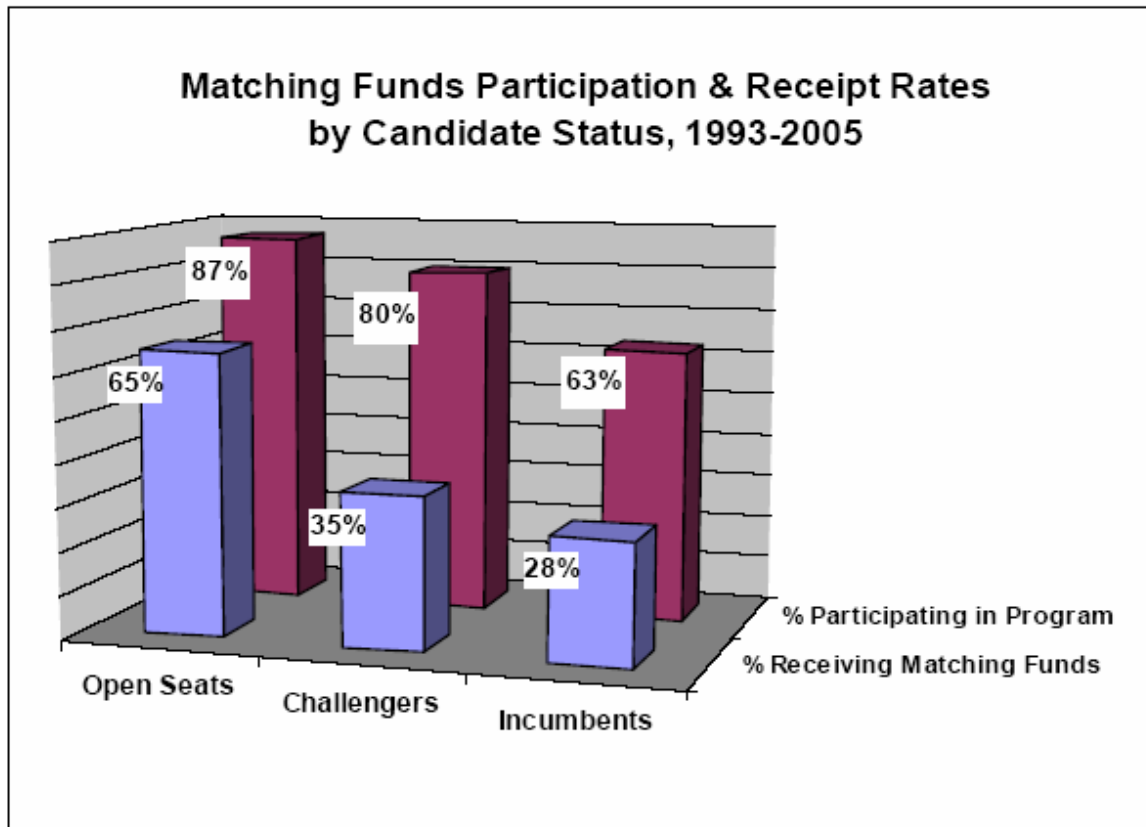
“...to Broaden Participation”

Voter Turnout, 1993-2005



Amplified Voices Through Strong Matching Funds Participation

Chart 28

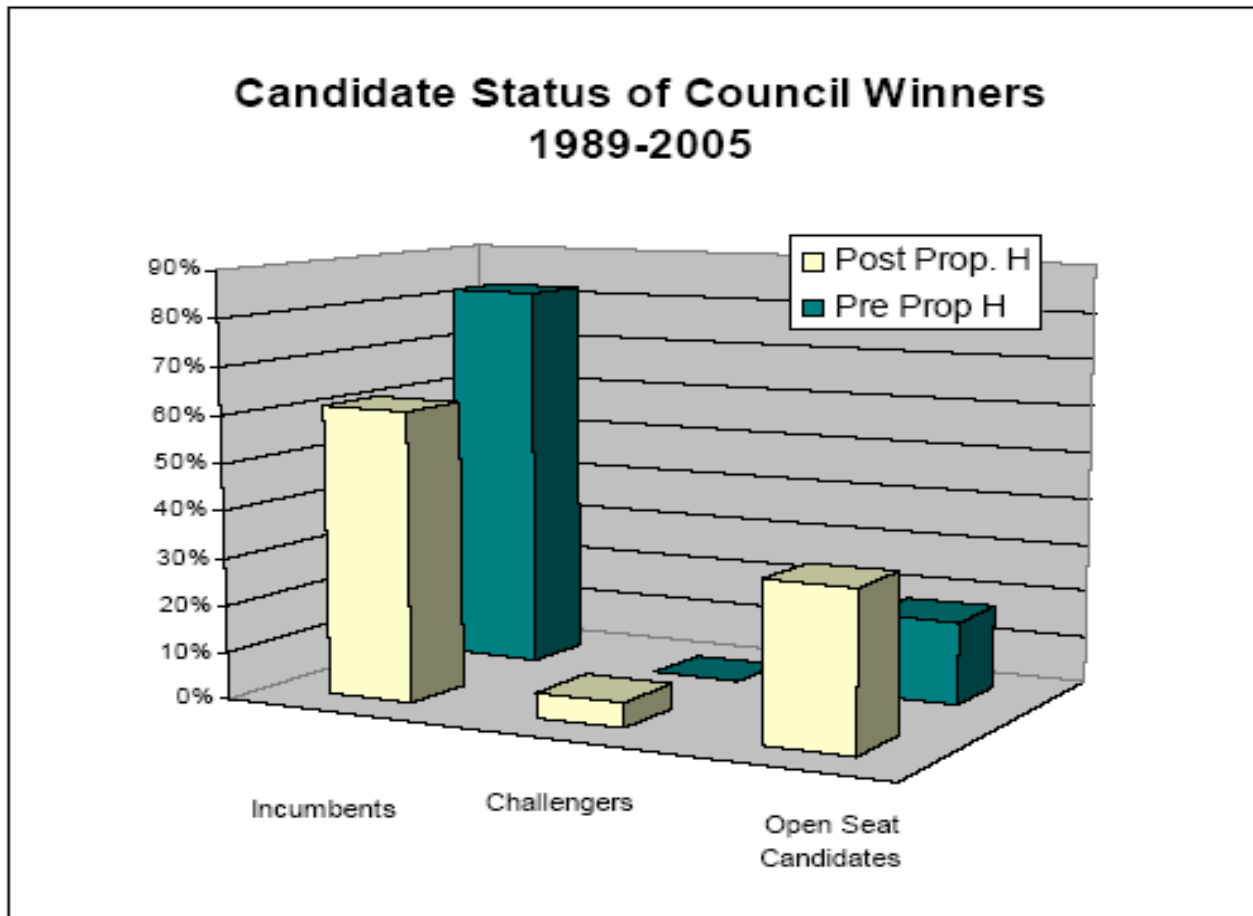


“I don’t think there’s any doubt in my mind that I would not have run if I hadn’t been able to access matching funds. I wouldn’t have had the dream or hope that I could challenge an incumbent or to participate substantially....matching funds were critical in my decision to run and critical in what success we were able to achieve in the campaign.”

Former Tenth District Council candidate Rev. Madison Shockley
at October 2001 City Ethics Commission forum on local reform and the 2001 elections

Open Seat Candidacies Strong

Chart 21

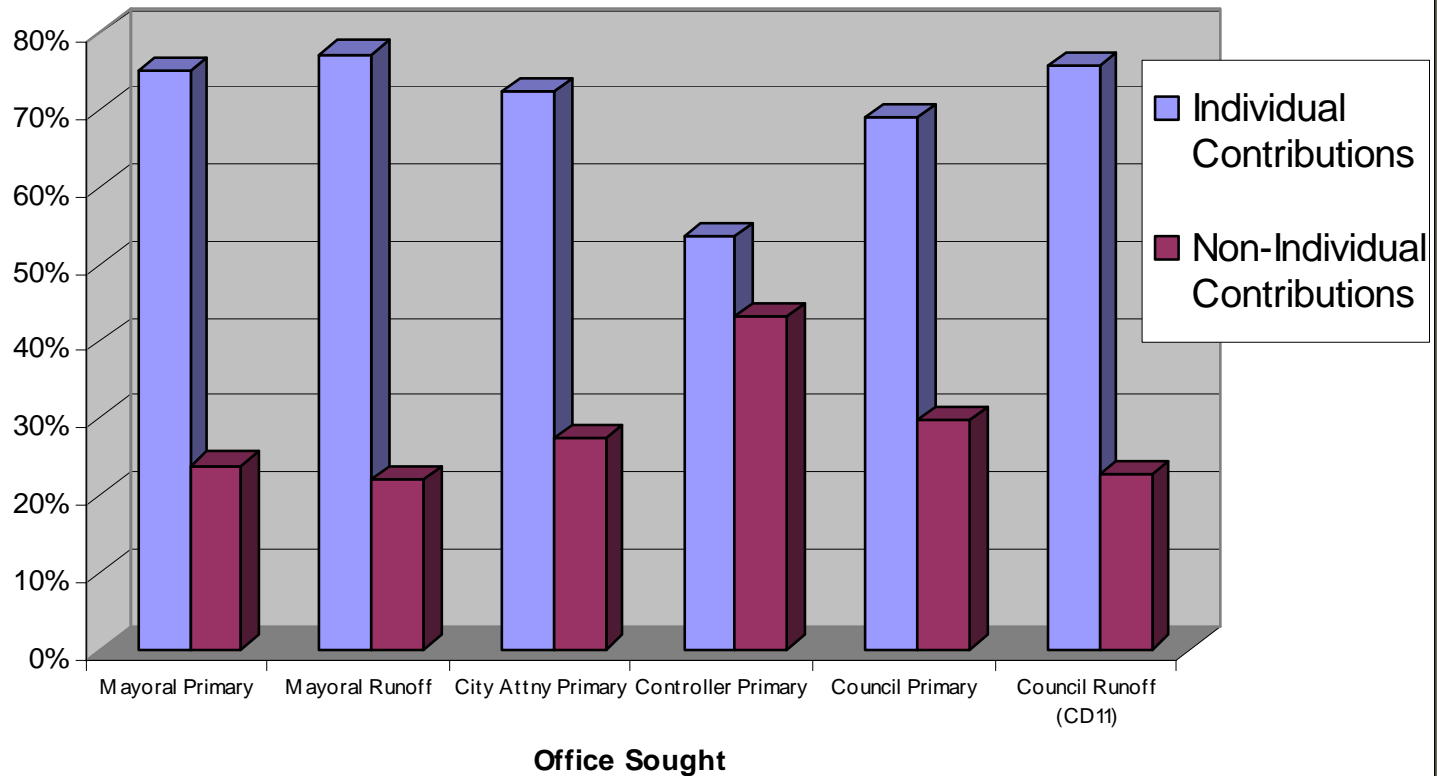


Heavy Reliance on Individuals

(Table 6)

Individual & Non-Individual Giving in 2005 Races

Overall: 75% Individual - 25% Non-Individual



Contribution Amounts Remain Relatively Small

8,919

**Number of itemized
contributions made in the
2005 Council Primaries**

\$ 369.76

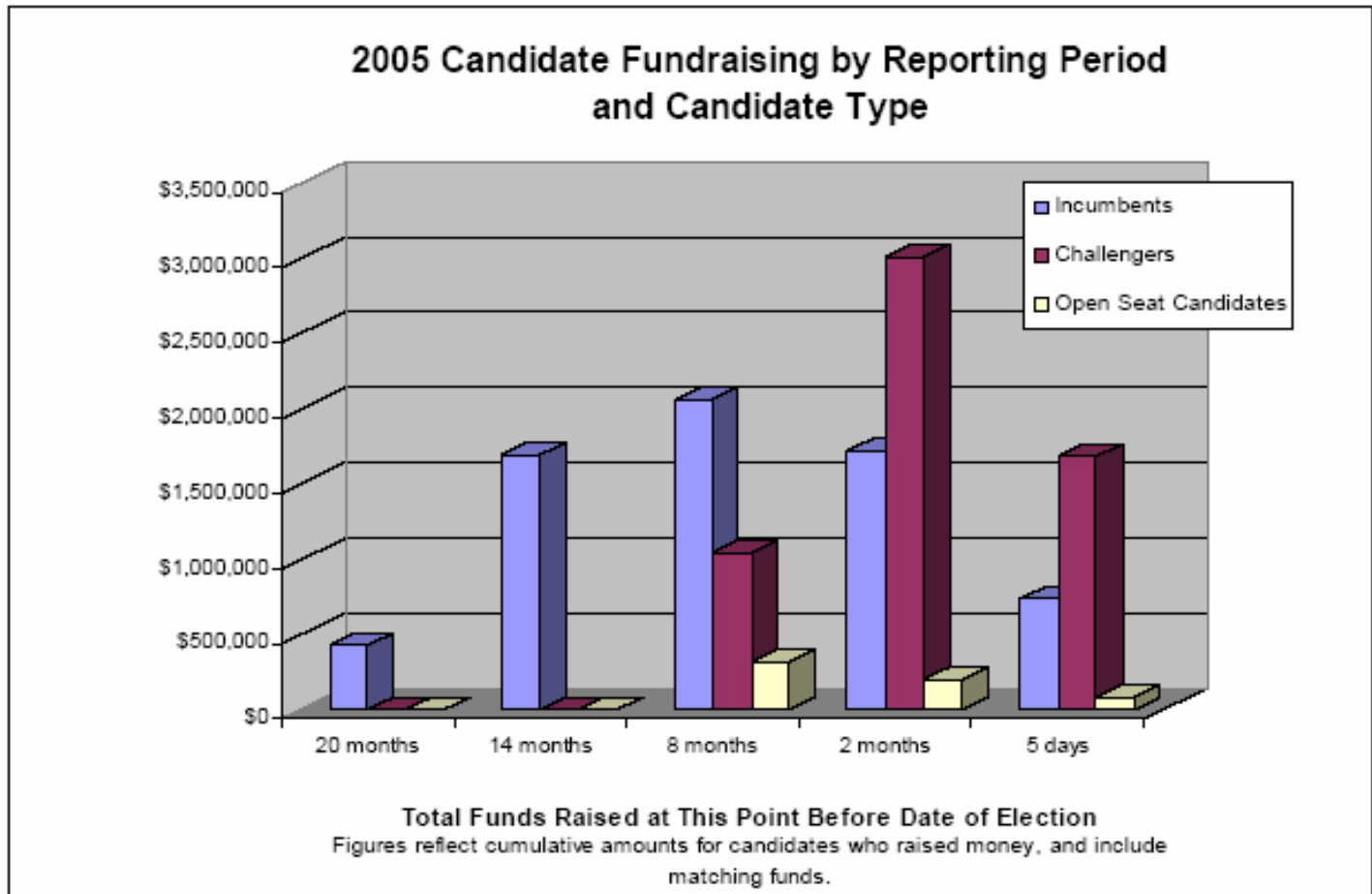
**Average contribution in the
2005 Council Primaries**

“Thank goodness for matching funds. I was able to get to about \$50,000 compared to [my opponent’s] \$340,000, that was a big, big difference. But we still got to 42 percent of the vote and that gave me the sense that what I was doing was correct. I was actually giving people the chance to vote. I felt like I did a service to the electorate by being a voice and an alternative to what they had. But most importantly, I think the Councilman heard the message that there were some voters thinking he wasn’t paying enough attention to the district. Immediately thereafter, he started paying attention...”

Former Fourteenth Council District candidate Alvin Parra
at October 2001 City Ethics Commission forum on local reform and the 2001 elections

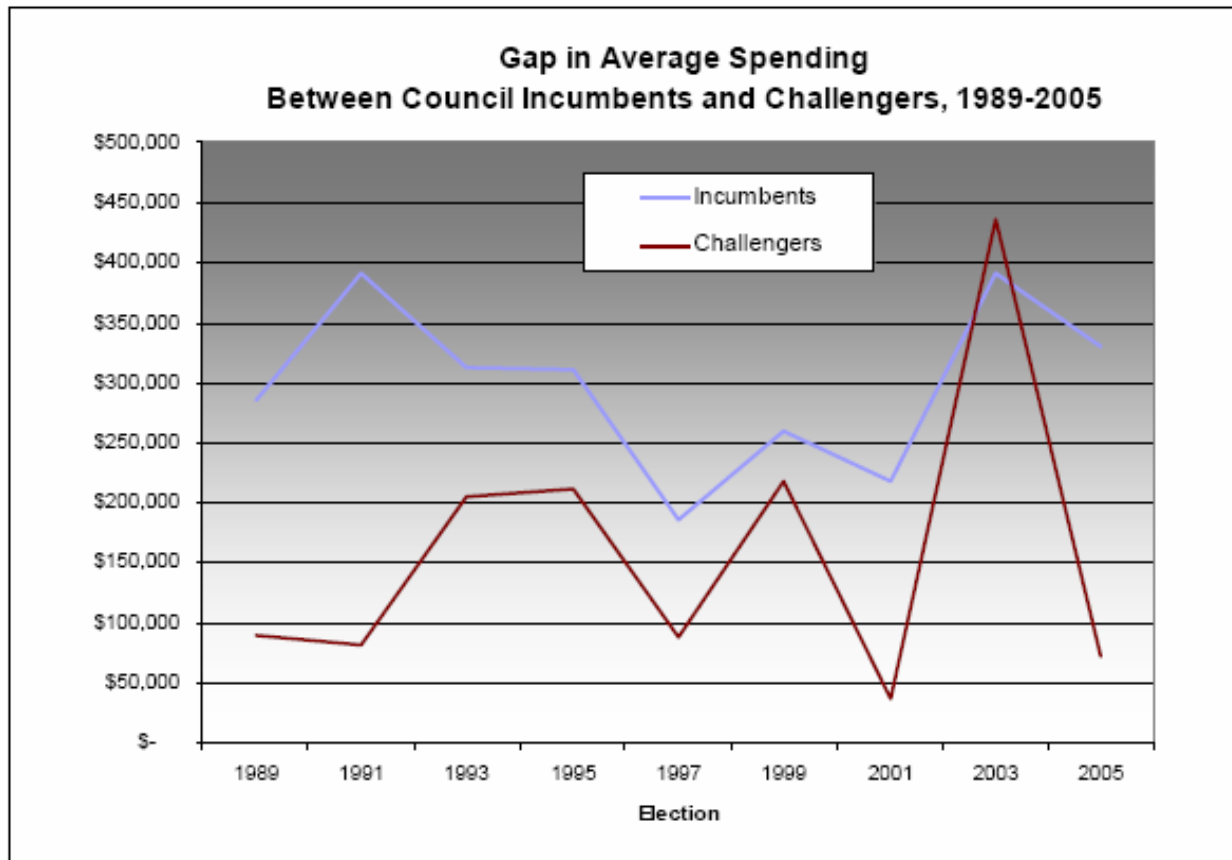
Yet Candidate Fundraising Uneven

Chart 27



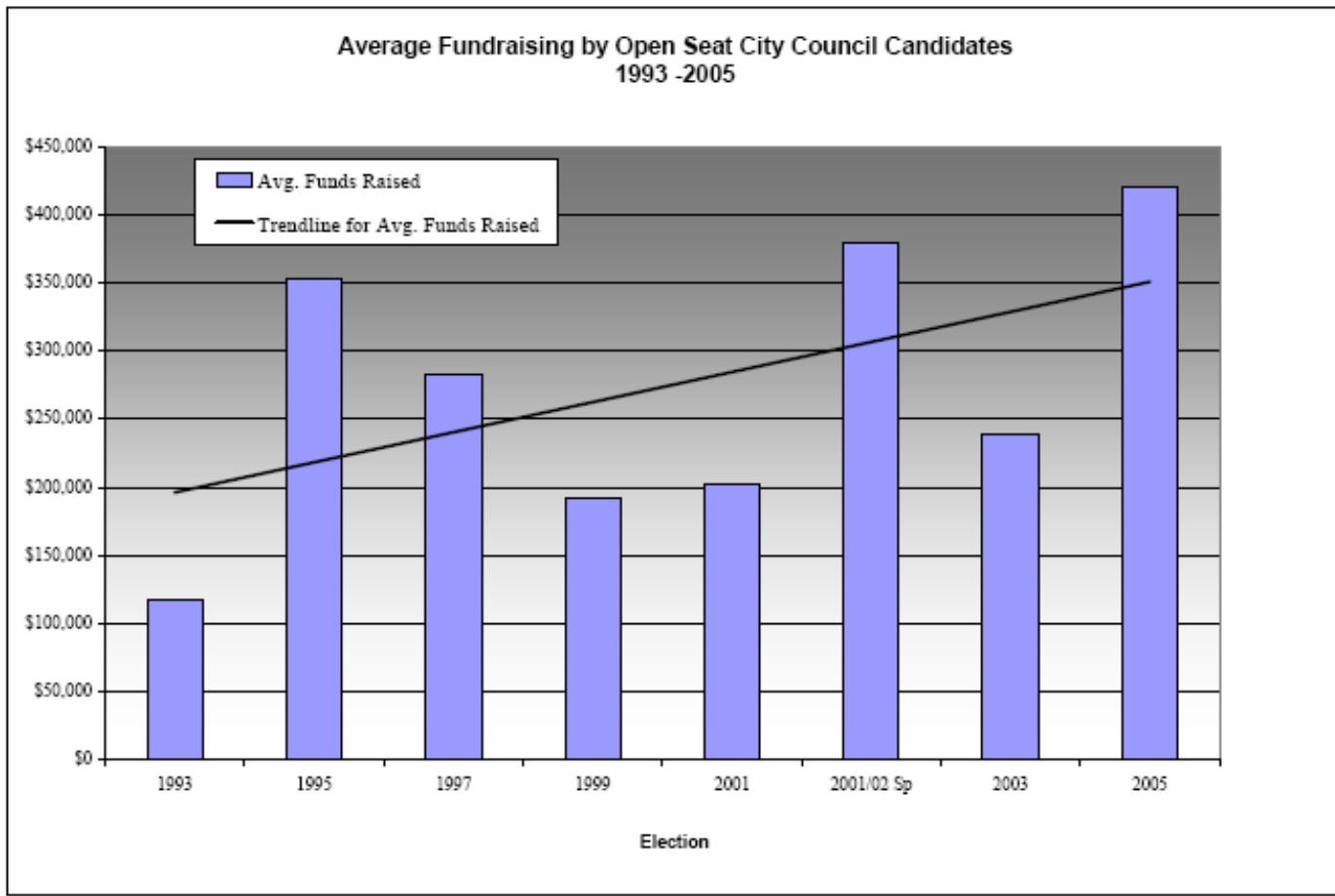
Spending Gap is Widening

Chart 14



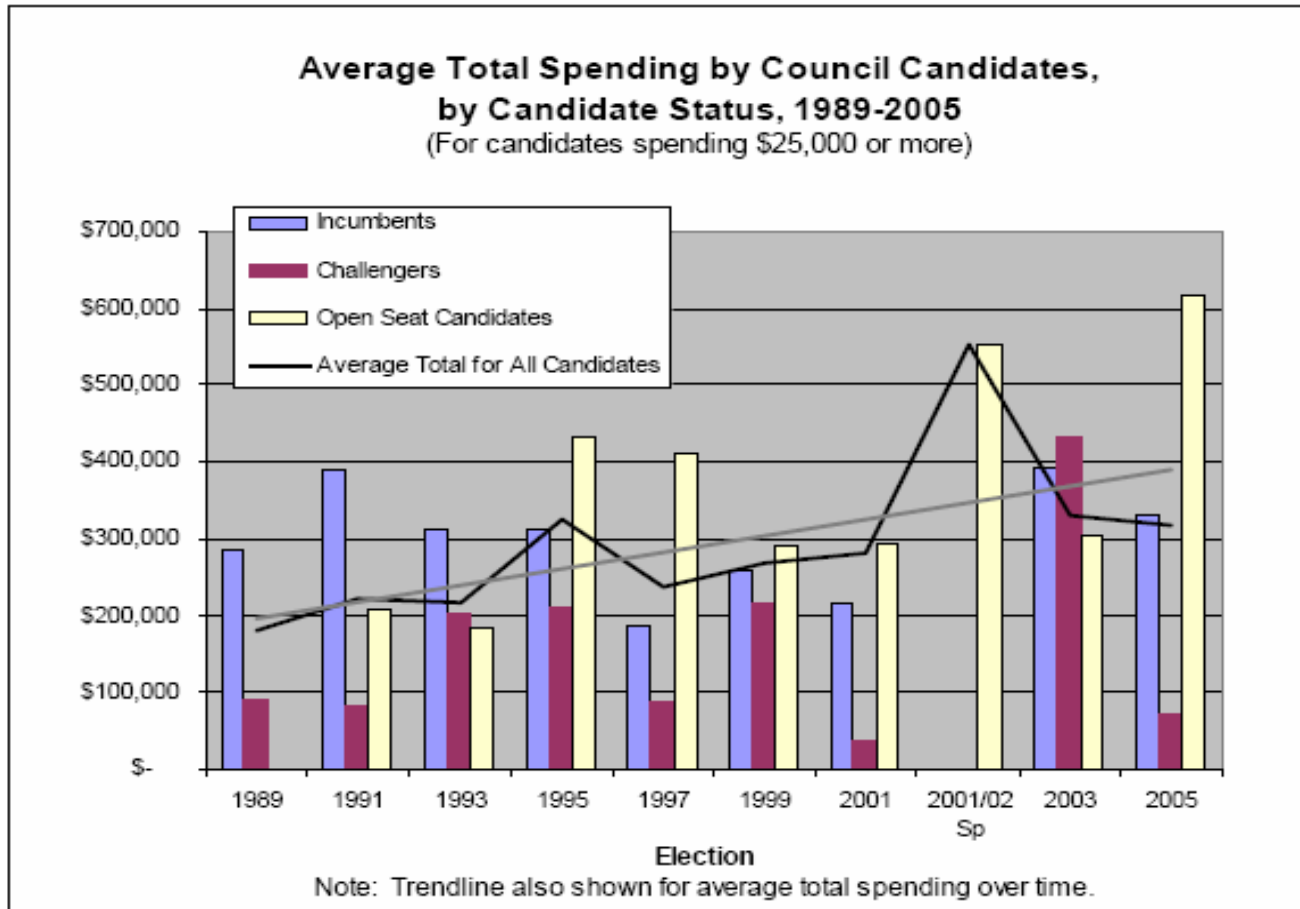
Fundraising Per Candidate is Up

Chart 25



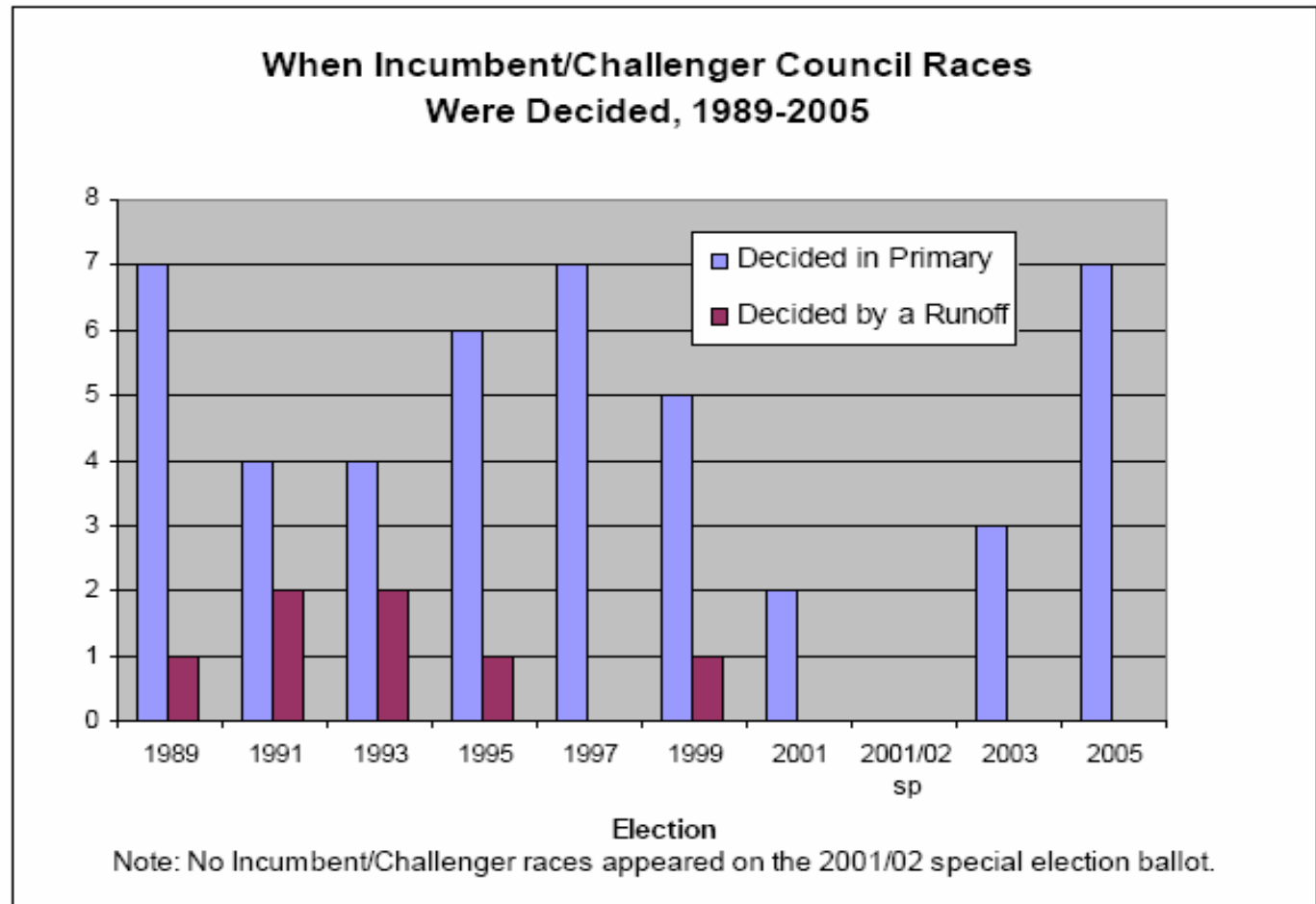
Spending per Candidate is Up

Chart 13



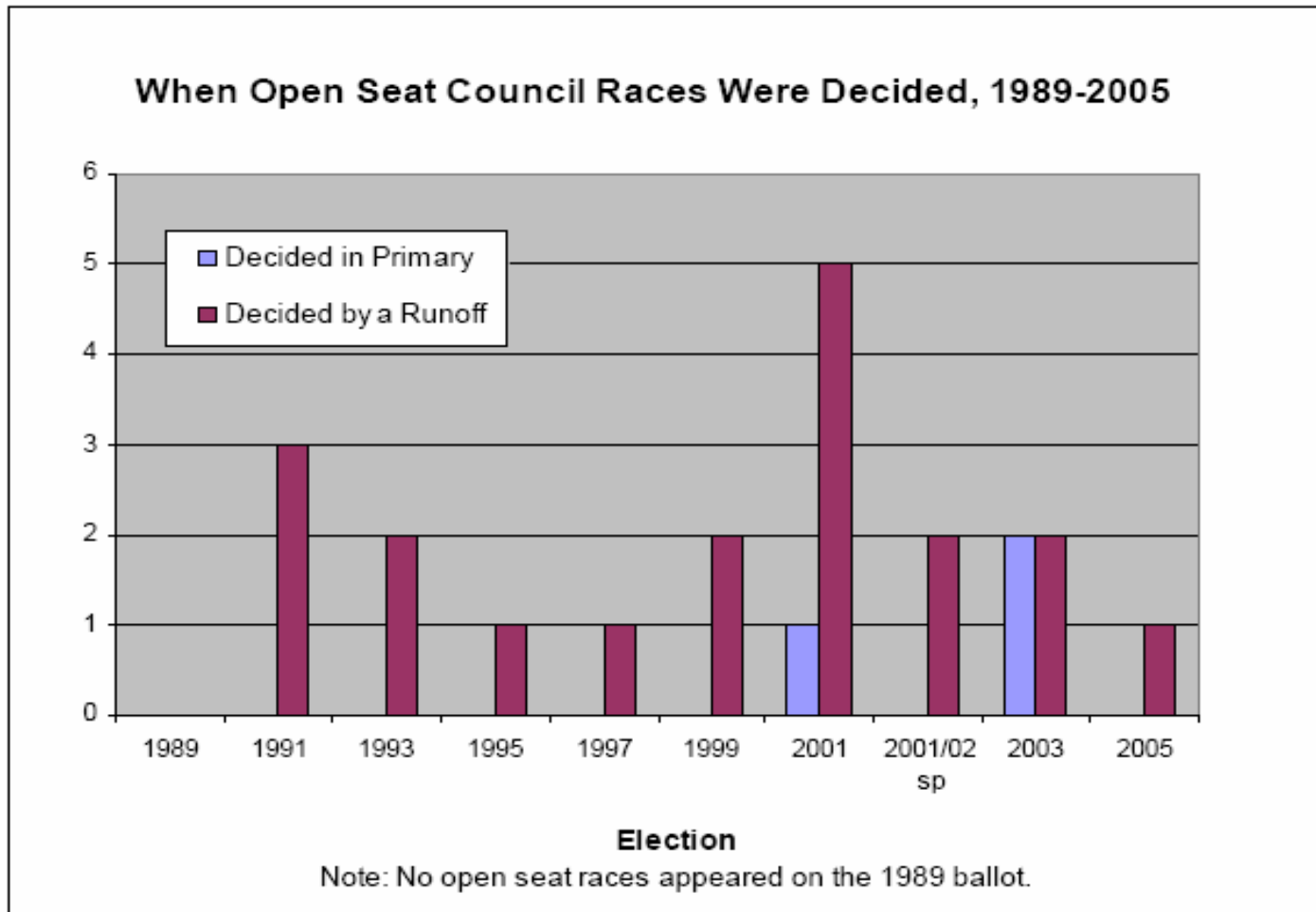
Emergence of “mid-term” Races

Chart 8



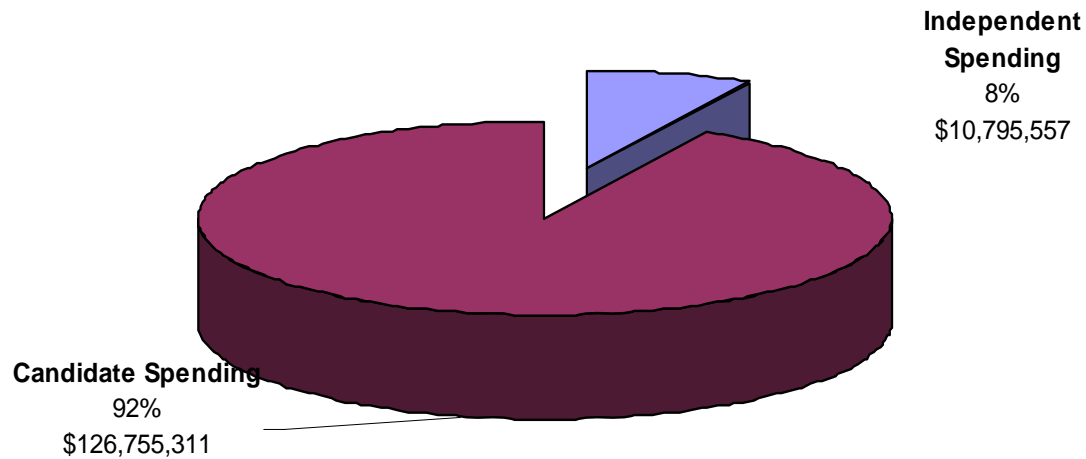
Open Seats, in Contrast

Chart 9



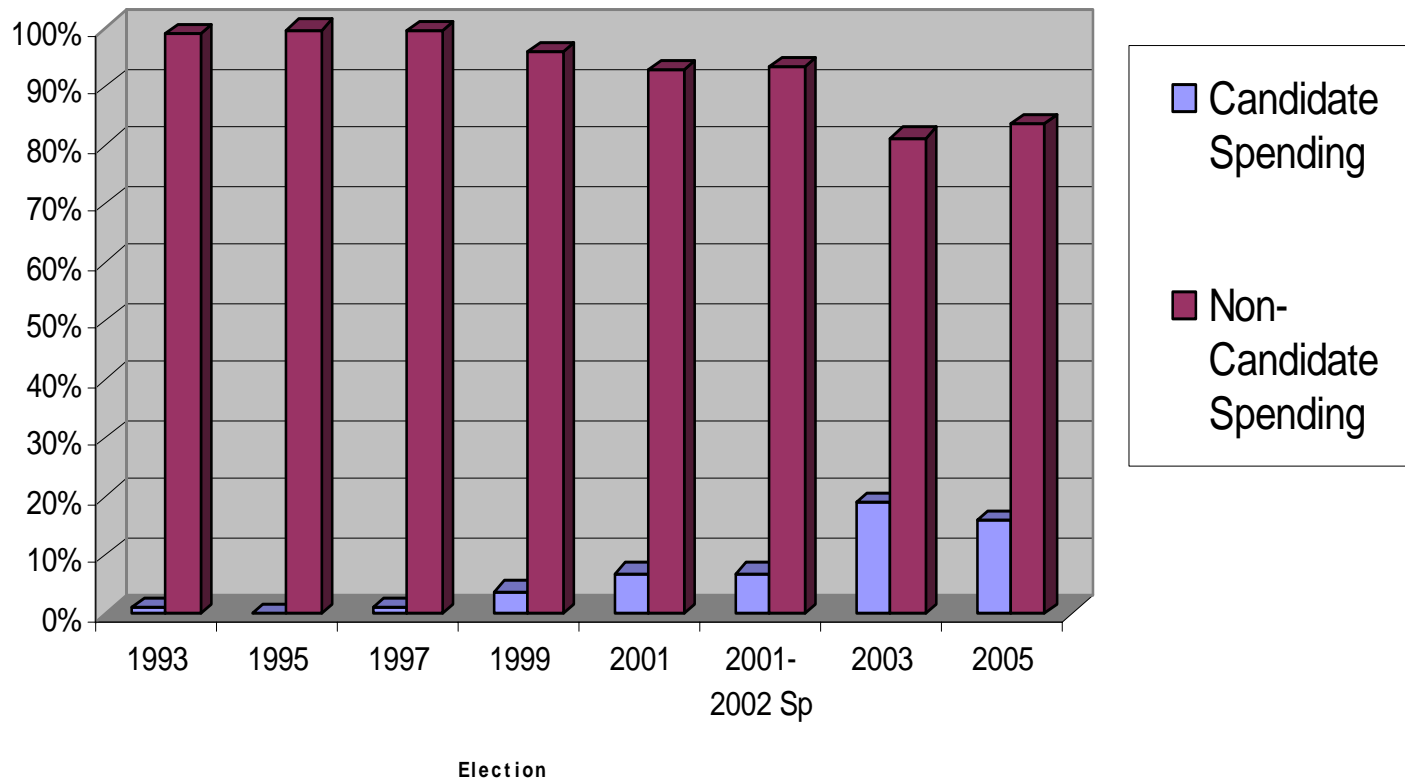
The Eight Percent Factor

Independent Spending as % of All Political Money in City Campaigns, 1993-2005



...But Growing As Percent

Independent % v. Candidate %, 1993-2005



And Growing in Frequency

Of 394 candidates on City ballot since 1989
21% were supported independently

1/3 between 1989-1999

1/3 in 2001 regular & special elections

1/3 between 2003-2005

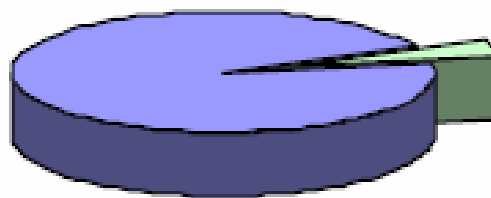
Timing is Everything

Chart 35

Total Independent Spending in the 2005 Election

Within 30 days
of the election

96%
(\$4,729,599)



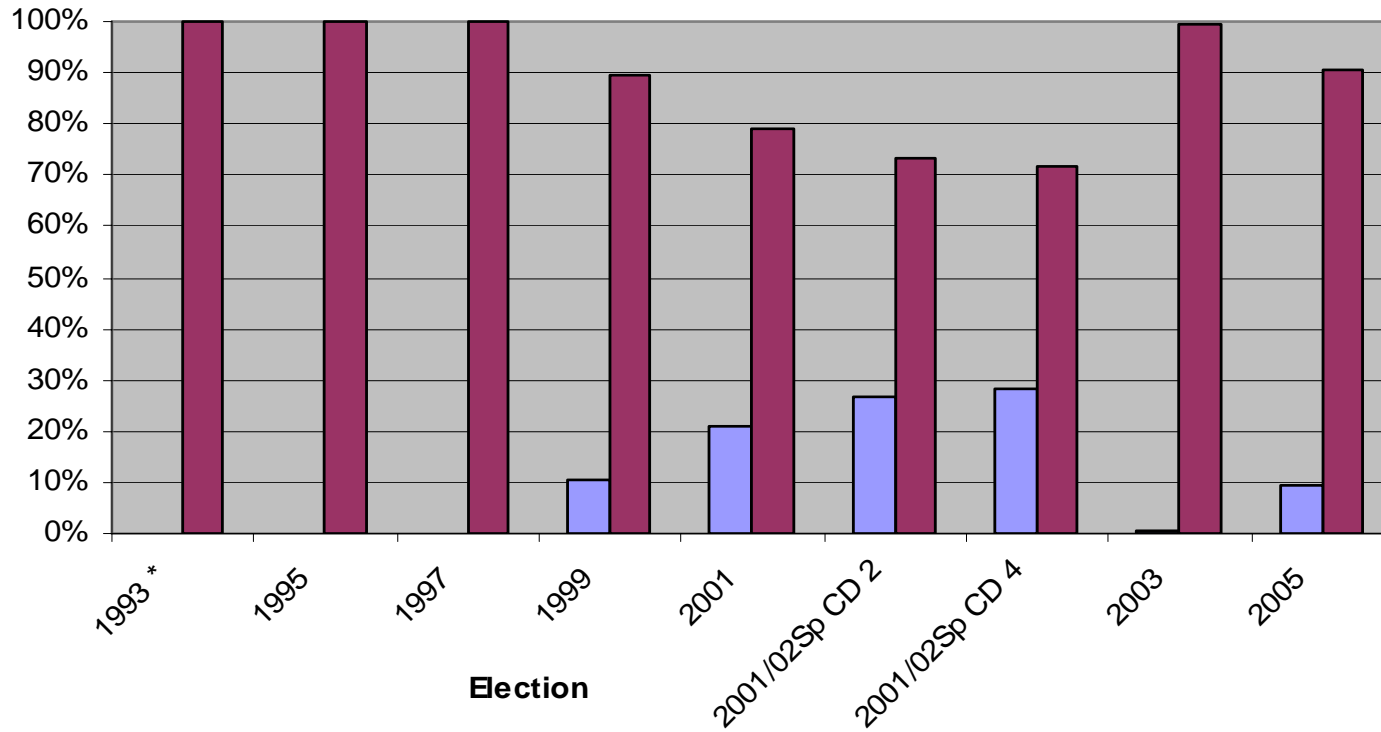
Earlier than 30
days before the
election

4%
(\$184,809)

Who Spent Independently?

Independent Spending, 1993-2005

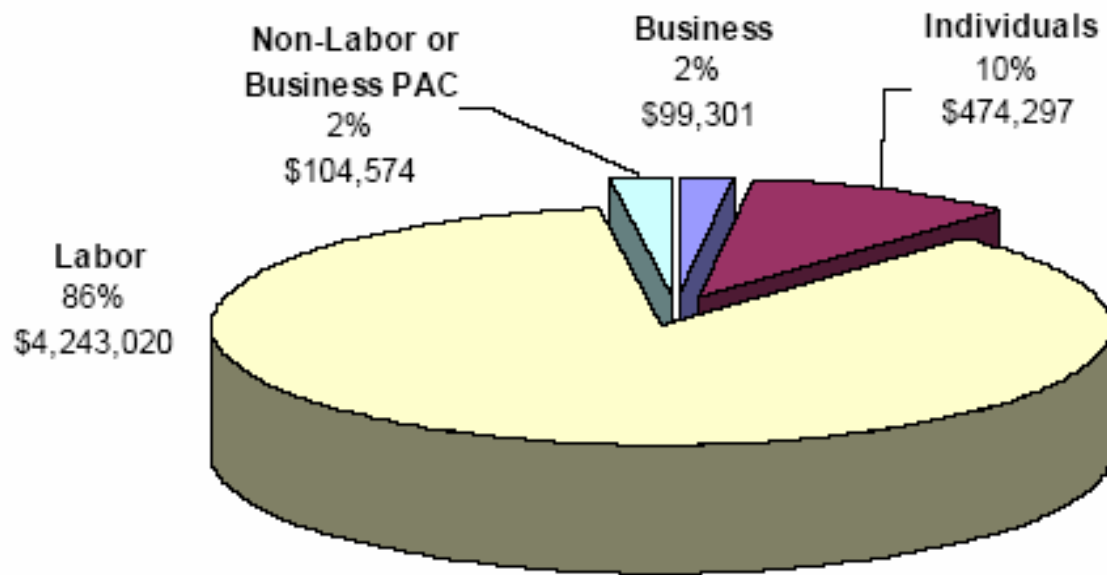
■ Percent by Individuals ■ Percent by Non-Individuals



2005: A Snapshot

Chart 33

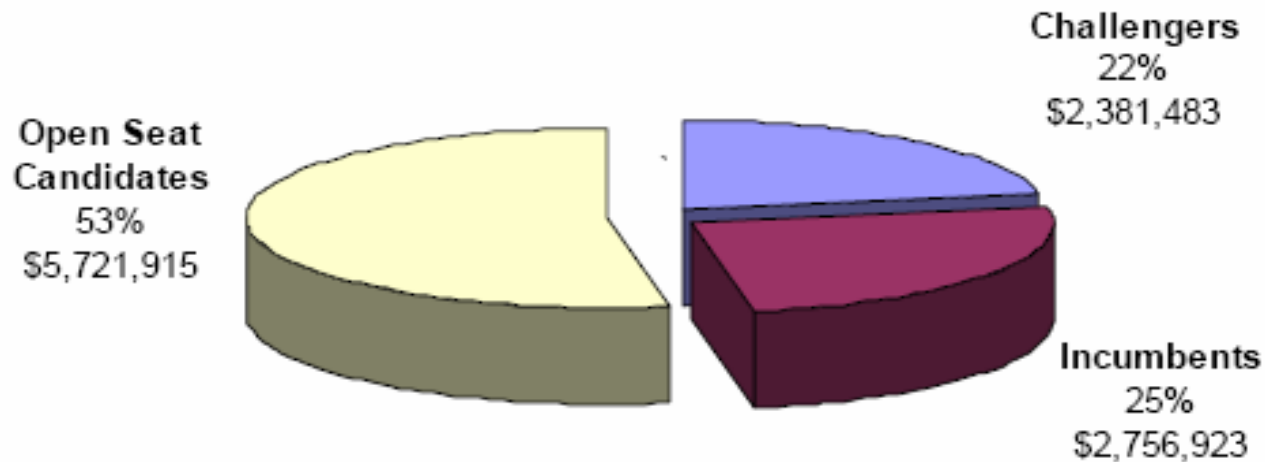
Sources of Independent Spending in the 2005 Elections



Who Benefited?

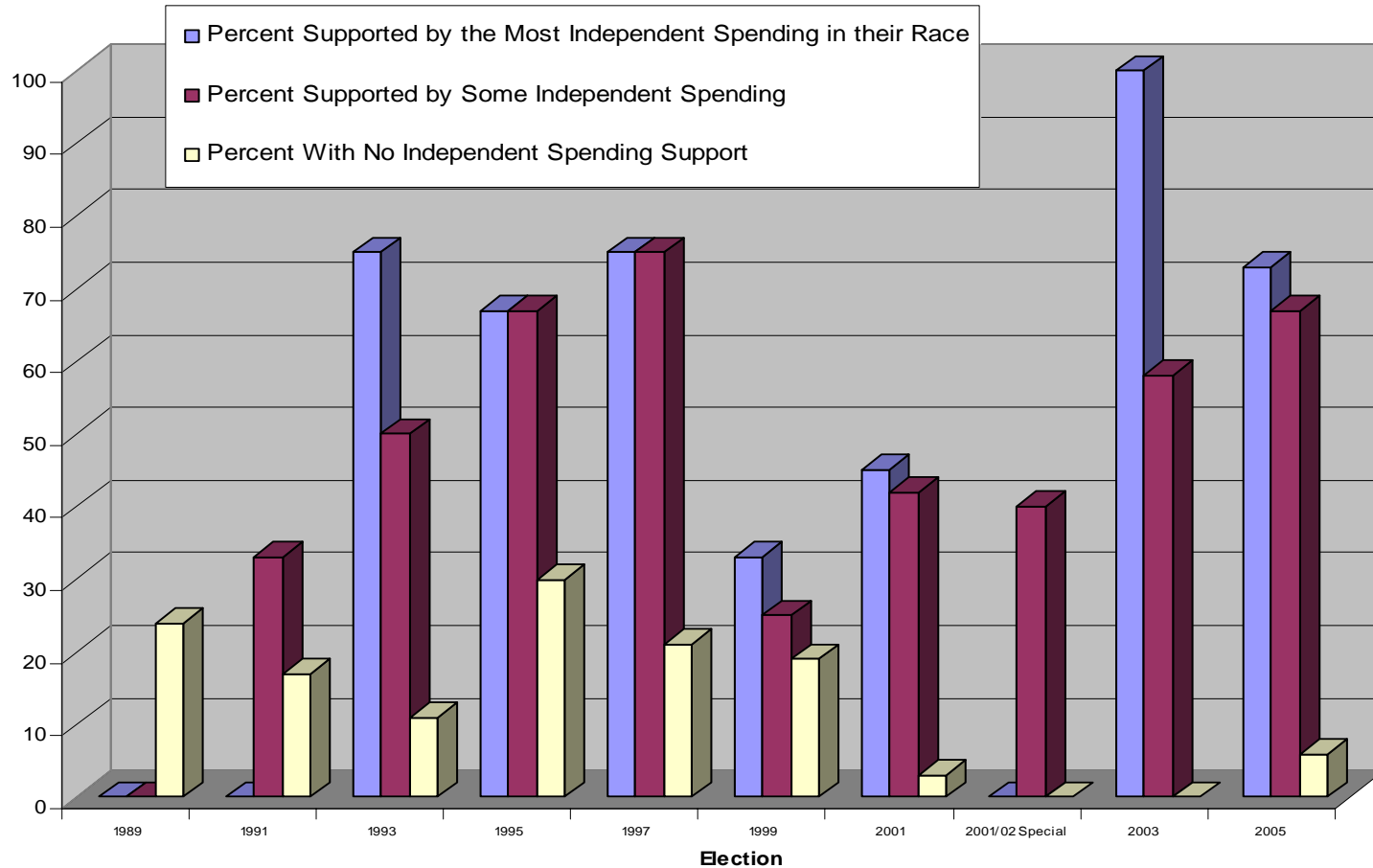
Chart 34

Independent Spending for Incumbents, Challengers and Open Seat Candidates, 1989-2005 *(All contests)*



Did Candidates Supported Win?

**Independent Spending and Winning City Campaigns
1989-2005**



Where from here?

Voter Turnout, 1993-2005

