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Due to the City's serious financial situation it is time to seriously evaluate the Democracy Dollars program. The City of Seattle has a Democracy Vouchers program which has been in place since 2015 and which was the basis for the Oakland proposal. Unlike Seattle the Oakland proposal did not include a funding mechanism, which in the case of Seattle is a parcel tax of about 8 dollars per year. The current proposal in front of the PEC would assess \$130 per parcel, and fund more than the Democracy Dollars Program. The history in Seattle shows Oakland should end the Democracy Dollars program as fiscally inefficient. According the the 2023 report from the Seattle Ethics & Elections Commission (SEEC) (https://www.seattle.gov/documents/Departments/EthicsElections/DemocracyVoucher/Biennial%20Reports/2023%20Biennial_Report%20FINAL.pdf) the total cost for the program since implementation is \$17,614,948 with candidates receiving \$9,394,950 of the total. This means the administrative overhead for the program is over 46 percent. But in fact the administrative costs are far higher because this figure does not include the costs campaigns incur in complying with the requirements of the program. One of the important goals of a public financing program for elections is to reduce the time and effort candidates and campaigns need to spend fundraising. The Democracy Dollars program will not achieve that goal.

Further the program has not truly changed elections in Seattle as explained in this piece: <https://www.kuow.org/stories/democracy-vouchers-are-back-but-do-they-neutralize-big-money-in-local-politics> "After vouchers, independent spending in Seattle dramatically increased. It nearly quadrupled in the 2019 city council races, and almost tripled in 2021 when the city had its first mayoral race with vouchers. Local political consultant and self-described progressive Michael

Charles, who is running several Seattle City Council campaigns this year, argues that the voucher program itself provoked some of that massive increase in outside spending."

At this point the Democracy Dollars program has taken resources away from the core mandates of the PEC by redirecting money and staff time that should be going to enforcement. The enforcement program has suffered with insufficient resources for years, while needed resources have gone to this unfunded mandate.

There needs to be a real analysis of election and campaign finance laws to determine a realistic approach. Given the unlimited funds independent expenditure committees can spend, the current system limiting contributions to candidates benefits the special interest money at the expense of elections based on the merits of candidates. One interesting approach would be to fashion a local law along the lines of SB1439 mandating recusal for elected officials involving matters that affect contributors to campaigns. What if that law was extended to those making independent expenditures? Or the length of the recusal requirement could be lengthened for those making very large contributions. The current system with independent expenditures does not bring a direct connection between the contributor and the candidate.

As long as Citizens United is the law of the land and independent expenditures are unlimited, Democracy Dollars is not a viable program for Oakland. Another regressive tax will not make it any better. It is time to cut the losses in the program and get back to some common sense election laws. First would be to decide if given the size and extent of independent expenditures there is really any reason to have any public financing, and instead put resources into increased disclosure. It is also time to revisit the current contribution limits. Contributions directly to candidates can create political baggage, and under SB1439 problems for both the elected official and the contributor.

Ralph Kanz