



The Municipal League Foundation
220 Second Avenue South
Seattle, WA 98104

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Seattle I-122—Honest Elections Seattle

General Election Ballot Measure

Overview

City of Seattle Initiative Measure Number 122 (“I-122”) addresses public finance of election campaigns, regulation of campaign finance, and lobbying. Four aspects of the measure are summarized here. The measure would also increase penalties for campaign finance violations.

A. Publicly-Funded “Democracy Voucher Program”

If approved, I-122 would establish a voucher program (the “Program”) for public financing of city elections for the next 10 years. In January of each municipal election year, the Seattle Ethics and Elections Commission (“SEEC”) will mail each registered voter four \$25 “Democracy Vouchers” that they could then contribute to qualified candidates of their choice.

Voters sign and date a voucher and deliver the voucher to the candidate, the candidate’s designated representative, or the SEEC. I-122 directs the SEEC to develop a secure online system for delivery of vouchers prior to the 2017 election cycle if practicable, and no later than prior to the 2019 election cycle. I-122 would prohibit the purchase or sale of vouchers and prevent voters from giving or gifting vouchers to another person.

To be eligible to participate in the Program, candidates must receive a minimum number of contributions (ranging from 150 to 600 depending on the office). Candidates must also agree to the following conditions:



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- Candidates may not exceed the following campaign spending limits: mayor, \$400,000 for the primary election, \$800,000 total; city attorney, \$75,000 for the primary election, \$150,000 total; at-large city council, \$150,000 for the primary election, \$300,000 total; district city council, \$75,000 for the primary election, \$150,000 total;
- Mayoral candidates may not accept more than \$500 from any individual per election cycle, and city council and city attorney candidates may not accept more than \$250 from any individual per election;
- Candidates may not solicit contributions on behalf of any political party or political action committee that will make an independent expenditure on behalf of or against any candidate for city office during that election cycle;
- Candidates must participate in three public debates before the primary and general elections, unless the SEEC waives this requirement.

A candidate participating in the Program will be released from the expenditure and contribution restrictions outlined in the first bulletpoint if his or her opponent (standing alone or in conjunction with independent expenditures supporting the opponent or opposing the candidate) has exceeded those spending limits.

I-122 authorizes the City to fund the Program through either the General Fund or \$30 million in property taxes over a period of up to 10 years. Generally speaking, the City would be able to levy no more than \$3 million (\$.0194 per \$1,000 of assessed value) to fund the Program per year. The \$3 million includes administrative costs, which the measure's proponents estimate will amount to an average of \$645,000 annually over 10 years.

B. Limitations on Political Contributions

I-122 would lower existing limits on the maximum contribution that can be made to mayoral, city council, and city attorney candidates from \$700 to \$500 per election and impose other restrictions, specifically:

- Candidates may not accept contributions from a person or entity that has received \$250,000 from a contract with the City during the previous two years.
- Candidates may not accept contributions from a person or entity that has spent \$5,000 or more towards lobbying the city within the previous 12 months.

C. Restrictions on Employment



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A former mayor, city councilmember, city attorney, city department head, or highest paid aide reporting to one of those persons cannot participate in paid lobbying of the City for three years after vacating their position.

D. Disclosure Requirements

I-122 also would impose new disclosure requirements, including requiring daily reporting of campaign contributions, requiring paid signature gatherers for city ballot measures to display notices that they are paid signature gatherers, and requiring candidates to report their “reasonably estimated net worth.”

Arguments FOR the Measure

The Municipal League believes the below are some of the strongest arguments in favor of I-122.

- Seattle campaigns are currently funded by donations from a fraction of the population. According to a July 2015 study by the Sightline Institute, roughly half the money given to candidates for the 2013 elections came from 1,683 donors.
- By making financial support available to candidates with broad-based support but less access or appeal to wealthy donors, public financing is likely to increase the number and diversity of candidates who run for office.
- The Program has the potential to increase public participation in the political process and alter candidate behavior. Vouchers would allow those without the resources to do so unaided to have a financial voice in elections. Because every Seattle voter will be a viable donor, it will be worthwhile for candidates to solicit lower-income communities for donations rather than focusing on obtaining the support of wealthy donors.
- A voucher system allows voters to fund only those candidates they support, whereas other public financing systems that raise and make public funds available to candidates may result in voters funding candidates with whom they disagree ideologically.
- If most candidates opt in to the Program and abide by its contribution and expenditure limits, the role and influence of money in Seattle elections would be diminished.



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- The three-year ban on lobbying by former city officials and top aides would help stop the “revolving door,” by which former government officials benefit private clients through their contacts with and influence on current government officials.

Arguments AGAINST the Measure

The Municipal League believes the below are some of the strongest arguments for rejecting I-122.

- No other jurisdiction in the United States has adopted a comparable voucher program as a means of publicly funding elections. Passing I-122 would commit Seattle to an experimental system for ten years. Other tested public funding systems, likely with lower administrative overhead costs, are available.
- Seattle has recently adopted a district-based system for City Council elections. It is unclear how, if at all, district elections will impact the role of money in Seattle elections. While the cost of I-122 is relatively insignificant, it is real. There is merit to seeing how district elections unfold before funding public finance of elections.
- Not all citizens could return vouchers if they desired, given the measure’s overall funding availability and its restrictions on the overall money that could be spent in particular races. Given candidates’ desire to raise money efficiently, they are likely to prioritize on soliciting vouchers from membership organizations and otherwise trying to collect vouchers “en masse” rather than on a voter-by-voter basis. It is unclear how effective the Program would be in shifting candidates’ focus to raising money from small donors.
- Because voters will have vouchers in hand in January of an election year, more-established candidates may benefit by undertaking early, organized efforts to solicit return of vouchers. Moreover, voters will have an incentive to return their vouchers immediately before the public money runs out, perhaps even before all candidates may have announced their candidacies and before candidates are fully vetted.



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- Under United States Supreme Court precedent, a jurisdiction cannot force candidates to abide by an overall contribution cap and cannot limit the money spent on independent expenditures. Well-funded candidates have relatively little financial incentive to agree to participate in the Program and agree to its restrictions.
- I-122 contains many provisions, but public debate has been focused on its novel Program. The merits of the measure's other features have been subject to little public scrutiny.

Recommendation and Rationale

With significant hesitation, the Municipal League recommends voting YES on I-122.

The Municipal League supports public financing of campaigns as a means of ensuring a relatively level playing field where candidates with broad-based support have a fair chance to compete with better-funded opponents. The Municipal League also supports the removal of barriers to political participation by historically underrepresented communities.

The Municipal League thus fully supports the spirit and intent of I-122, which is directed to the goals that the Municipal League has supported in the past. Most recently, in 2013, the Municipal League supported a ballot measure that would have adopted a system of publicly financing City elections under which candidates with a minimum level of support would receive matching public dollars for contributions up to \$50. The measure failed narrowly. The Municipal League would endorse that system again without hesitation—it is simple, relatively cheap to administer, and Seattle utilized it in the past with success.

There is much to recommend I-122's specific approach to public election financing. The Program is innovative and intriguing. By putting vouchers into the hands of every voter, I-122 acknowledges and seeks to advance the goal of making participation in elections more accessible to disadvantaged communities, and incentivizing candidates to seek support from a broader cross-section of Seattle voters. The Municipal League believes these goals deserve public support.



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I-122 is, however, different from measures the Municipal League has supported in the past and there is much that gives the Municipal League pause about I-122. It is an experiment to which Seattle would be committed for ten years. It offers a grab bag of other reforms that are flying under the radar because of the focus on its central Program, and that Program is untested and without precedent. It is not difficult to identify serious concerns about the Program and its effectiveness, as suggested by the “Cons” above. Moreover, given the novelty of the voucher system, there is an inevitable risk of misuse. Some voters will likely try to sell their vouchers, despite I-122’s prohibition. And candidates have an incentive to collect as many vouchers as possible as quickly as possible—the potential reality of voucher collection (large events where vouchers are returned en masse, use of paid “voucher gatherers,” etc.) may vary significantly from the proponents’ vision of candidate engagement with a wide cross-section of the electorate.

On balance, however, the Municipal League supports I-122. Its cost is relatively minimal and the Municipal League believes its goals are laudable and the upside of its potential success significant. To vote for I-122 is to place a bet, but the Municipal League believes that such a bet is worth placing. The City should not shy away from innovative public policies; instead, the implementation and effectiveness of I-122 should be carefully monitored so that the public can assess whether this public election financing system works as intended and is right for Seattle.

