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June 29, 2017

Councilmember Charles Allen, Chairperson
Committee on the Judiciary & Public Safety
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

**Testimony of Craig Holman, Public Citizen, regarding the
Fair Elections Act of 2017 (B22-0192)**

“There Is Nothing to Fear in Fair Elections”

Dear Committee on the Judiciary:

While the committee is considering several important and useful measures on campaign finance reform for the District of Columbia, I will focus my comments on the Fair Elections Act of 2017, with nine original co-sponsors. This measure encompasses a small donor public financing program for city elections modeled after long-standing campaign finance programs elsewhere in the nation, especially New York City.

The “Fair Elections Act of 2017” embodies what is sometimes known as the “small-donor revolution” – a style of campaign finance reform that is brewing in state and local politics across the country, a robust version of which has been in existence in New York City since 1997.

Councilmember David Grosso originally introduced a small-donor campaign finance measure several years ago. This time around, the measure has been introduced by nine councilmembers – Grosso, Charles Allen (D-Ward 6), Elissa Silverman (Independent-At-Large), Brianne Nadeau (D-Ward 1), Mary Cheh (D-Ward 3), Councilmember Robert White (D-At Large), Councilmember Trayon White (D-Ward 8), and Council Chair Phil Mendelson (D-At Large) as well as co-sponsored by Councilmember Anita Bonds (D-At-Large) – a substantial majority of the Council.

The campaign finance measure would provide a 5-to-1 public fund match for each private campaign contribution up to \$200 for mayor, \$100 for at-large councilmember and \$50 for ward councilmember. That means any D.C. resident who makes a \$100 campaign contribution to a participating candidate is, in fact, giving \$600 to the candidate.

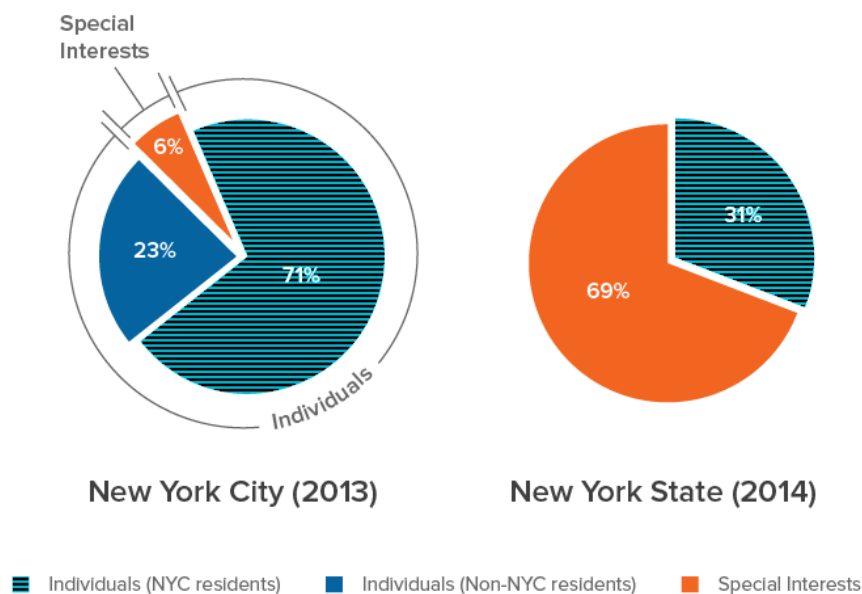
This is a small-donor public financing system that displaces big money in our elections by amplifying the voices of average citizens. It is not some new, radical idea; it has a proven

track-record in several localities. Small-donor matching programs are now in place in 11 jurisdictions from New York City to Montgomery County to Los Angeles City.¹

These programs work. Take a look at New York City, which provides a robust 6-to-1 match on contributions of \$175 or less. In the previous election, 92 percent of candidates in the primary election and 62 percent of those in the general election participated in the small-donor public financing system – which means the vast majority of New York City candidates forfeited big money in favor of small contributions.

Individual contributors from New York City are, by far, the largest source of contributions to candidates in city elections. In the 2013 citywide elections, more than 90 percent of funds raised came from individual contributors, not political committees. More than two-thirds of contributions were \$175 or less. NYC’s focus on individual contributors creates a stark comparison with New York State elections, which does not have a small donor public financing program.

Source of Contributions New York City vs. New York State²



¹ Jurisdictions that provide matching public funds to encourage small donations for some or all elected offices – a small donor public financing system – include: Los Angeles, CA; Howard County, MD; Montgomery County, MD; New York City, NY; Michigan; Florida; Rhode Island; Oakland, CA; Sacramento, CA; San Francisco, CA; and Seattle, WA. Several other jurisdictions provide matching public funds for any legal campaign contribution or other public financing of elections.

² Source: New York City Campaign Finance Board, available at: <https://www.nycffb.info/program/impact-of-public-funds>

This is pretty much the trend across the board. A 2015 study by the Campaign Finance Institute concluded that with small-donor public financing systems, more races are contested, voters pay more attention to races lower down on the ballot, small donors can become much more important, and candidates can be given incentives to bring more diverse donors into the system.³

More importantly, when we change who the candidates turn to for financing their campaigns, we change to whom our elected officials are accountable. Large contributions can distort legislative agendas since candidates and officeholders tend to focus their fundraising appeals to major donors.⁴ But in a small-donor system, that dynamic flips. For example, a 2008 study conducted by the Campaign Finance Institute found that small donors tend to be more representative of the electorate with respect to income, gender, and policy priorities.⁵

Small-donor public financing systems also encourage greater civic participation. In yet another study in 2007, the Campaign Finance Institute found that small donors were more likely to post signs in support of candidates, volunteer to work on campaigns, and encourage friends to vote.⁶

For incumbent elected officials, the news is good here, too. Though small-donor public financing programs fundamentally change the donor base and increase the competitiveness of elections, these programs have not been shown to measurably increase the odds of incumbents being defeated at the polls. Incumbents, like newcomers to politics, share the benefits of changing donor pools from the wealthy special interests to average citizens.

Simply put, there is nothing to fear in Fair Elections.

For these reasons, Public Citizen strongly encourages the District Council to move ahead with the Fair Elections Act of 2017.

³ Michael Malbin, *Are All Public Matching Fund Programs Created Equal?* (paper prepared for American Elections at the Crossroads Conference, July 2015).

⁴ See, e.g., John M. De Figueiredo & Elizabeth Garrett, *Paying for Politics*, 78 S. CAL. L. REV. 591, 609-11 (2005); see also Lynda W. Powell, *The Influence of Campaign Contributions in State Legislatures: The Effects of Institutions and Politics* 201-06 (2012); Wesley Y. Joe et al., *Do Small Donors Improve Representation? Some Answers from Recent Gubernatorial and State Legislative Elections*, 2 (paper prepared for the 2008 meeting of the American Political Science Association).

⁵ Joe et al. *supra* note 2, at 2.

⁶ Michael Malbin, *The CFI Small Donor Project: An Overview of the Project and a Preliminary Report on State Legislative Candidates' Perspectives on Donors and Volunteers*, 19 (paper presented at the 2007 meeting of the American Political Science Association); see also De Figueiredo & Garrett, *Paying for Politics*, *supra* note 2.