

MOTION

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

The 2020 City election in Los Angeles was one of the most expensive in City history. All told, \$32 million was spent to influence who gets to represent the City's diverse communities, including \$10.4 million in campaign spending and \$22 million in independent expenditures. The vast majority of itemized contributions came from actors who are not representative of the City's racial and socioeconomic demographics. According to an April 2022 report from LA for Democracy Vouchers,¹ just 49.8% of dollars contributed to the 2020 races came from people who live in Los Angeles or from the City's matching funds program. The remainder of the money—a majority of all dollars contributed—came from special interest groups, or from people who do not live in the City of Los Angeles. What's more, even when campaign money does come from within the City, it comes disproportionately from wealthy and white neighborhoods. Majority white ZIP codes gave 2.6 times as much per person as ZIP codes with majority people of color. This data highlights the extent to which communities of color and low-income communities in Los Angeles are left out of the campaign financing process, often because they cannot afford to make a contribution. A recent updated report on the 2022 election showed that campaign donations overwhelmingly came once again from a few wealthy donors, people outside Los Angeles, and wealthier, whiter neighborhoods.²

Currently, the City has a matching fund program which matches contributions up to \$129 at a six-to-one ratio. While this program has helped more candidates run, it has not addressed the immense racial and socioeconomic disparities in the donor pool. Matching funds do not change the reality that many Angelenos do not have disposable income to spend on campaign donations.

To diversify the donor pool, other cities have instituted "Democracy Vouchers" programs. Democracy Vouchers provide an opportunity for more representative decision-making by allowing all residents to engage in a city's political process, regardless of their income. Under such a program, every voting-age adult receives a set number of vouchers which they can donate to candidates of their choosing, who can then redeem the vouchers with the city for money to fund their campaigns. The experience of other cities has shown that when a more diverse group of people is able to contribute to campaigns, a more diverse set of candidates from non-traditional backgrounds run for public office. A similar program has been in place in Seattle, Washington since 2015, and the results are promising. Donors have become more diverse by race, income, and age, engagement among low-propensity voters has increased, and the city had its most diverse mayoral field ever in 2021. In December 2022, voters in Oakland, CA, also overwhelmingly approved a ballot measure to implement a "democracy dollars" program.

As one of the most diverse cities in the country, the City of Los Angeles has a duty to ensure all Angelenos are able to participate in policy decisions that profoundly impact their everyday lives. By using Democracy Vouchers to make campaign financing accessible to all, the City can boost political engagement, diversify the donor pool, and ensure that candidates and officeholders are more representative of the electorate.



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¹ <https://www.lademocracyvouchers.org/content/files/2022/04/Elevating-More-Voices-Report.pdf>

² <https://www.lademocracyvouchers.org/content/files/2023/03/Empowering-Los-Angeles-Report.pdf>

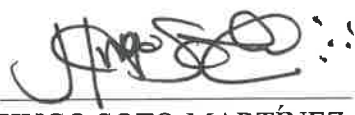
I THEREFORE MOVE that the City Council instruct the Chief Legislative Analyst, in consultation with the Ethics Commission and relevant City departments, as needed, to report back within 90 days on the feasibility of establishing a Democracy Vouchers program in the City of Los Angeles. The report should include:

- A demographic and neighborhood-by-neighborhood analysis of donors in City of Los Angeles elections;
- An analysis of the effectiveness of Democracy Vouchers programs in other cities, such as Seattle; and
- Recommendations for the establishment of a Democracy Vouchers program in the City of Los Angeles, taking into account:
 - The degree to which a Democracy Vouchers program would increase the share of campaign money coming from within the City of Los Angeles;
 - The degree to which a Democracy Vouchers program would increase the share of campaign money coming from people, as opposed to special interest groups;
 - The degree to which a Democracy Vouchers program would make campaign financing more equitable by boosting donations from ZIP codes in Los Angeles with a high percentage of people of color;
 - The possibility of creating a hybrid public financing program based upon Democracy Vouchers where raising a certain amount of funds through Democracy Vouchers could result in the award of a grant, or multiple grants, to achieve full public financing, similar to the gubernatorial races in Arizona, Massachusetts and Maine;
 - Whether a Democracy Vouchers program would diversify the demographics of candidates for public office in Los Angeles;
 - Whether a Democracy Vouchers program would boost political engagement within Los Angeles;
 - Range of options for candidate requirements, including but not limited to public debate requirements, contribution and spending limits, and disclosure agreements;
 - Safeguards to prevent potential fraud and abuse;
 - Staffing requirements;
 - Appropriate budget size and funding options for successful implementation; and
 - How a Democracy Vouchers program should work with the City's current matching funds program.

PRESENTED BY:



NITHYA RAMAN
Councilmember, 4th District



HUGO SOTO-MARTÍNEZ
Councilmember, 13th District



MARQUEECE
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Councilmember, 8th District

ORIGINAL

SECONDED BY:

