

Communication from Public

Name: Los Angeles for Democracy Vouchers

Date Submitted: 05/24/2023 05:58 PM

Council File No: 23-0359

Comments for Public Posting: Community coalition letter in support of the motion (see File Attachment), signed by the following organizations and individuals urging members of the Committee to vote in favor of the motion: Abundant Housing LA Amar Shergill, Progressive Caucus Chair, California Democratic Party California Clean Money Campaign California Donor Table Courage California Democracy Policy Network (DPN) Feel the Bern Democratic Club, Los Angeles County Fix Democracy First Former Councilmember Mike Bonin Green Party of Los Angeles County How the West Was Saved LA Forward League of Women Voters of Greater Los Angeles (LWV LA) Los Angeles for Democracy Vouchers (LADV) Mar Vista Voice Money Out Voters In (MOVI) Neighborhood Council Sustainability Alliance (NCSA) The River Project RepresentUs Unrig LA Valley Justice Coalition Wellbeing Economy Alliance California Youth Climate Strike Los Angeles

May 24th, 2023

Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

RE: Motion to Study Democracy Vouchers - [Council File 23-0359](#) (Support)

Dear Honorable Councilmembers:

We, the undersigned organizations, are writing to voice our support for the motion to study the feasibility of establishing a democracy vouchers program in the City of Los Angeles. We urge the Rules, Elections, and Intergovernmental Relations Committee to vote in favor of the motion.

Substantial improvements have been made to Los Angeles' campaign finance system over the years, including a robust public matching funds program that has generated "increase[s] in number of small donors per candidate" and "increase[s] in small donations from lower-income neighborhoods."¹ Yet local elections are still susceptible to big-money donations, with many low-income Angelenos and communities of color left out of our campaign finance system, which requires disposable income in order to participate.² The average donation per person from majority white ZIP codes in the City of Los Angeles was nearly six times the average donation per person from majority people of color ZIP codes.³

This motion would direct the City's Chief Legislative Analyst, in consultation with the Ethics Commission, to research the feasibility of establishing a democracy vouchers program, including options for full public financing, which will help inform the city on paths to empower all Angelenos, regardless of income or background, to have the opportunity to contribute to local campaigns, ensuring that donors, candidates, and officeholders are more representative of the electorate. A similar program has been in place in Seattle since 2017, resulting in an expanded donor pool that is similar to voters in terms of age, income, and race, a larger and more diverse candidate pool, and

¹ Noah Cole. "The California Dream: Using Public Financing of Elections to Build an Inclusive and Multi-Racial Democracy Powered by Small Donors." California Common Cause, January 27, 2023. <https://tinyurl.com/5brvtk7n>

² Tom Latkowski and Mike Draskovic. "Elevating More Voices: How democracy vouchers can diversify candidates and donors in Los Angeles." Los Angeles for Democracy Vouchers, April 12, 2022. <https://tinyurl.com/mrvsaemv>

³ José Del Río III, Tom Latkowski, and Mike Draskovic. "Empowering Los Angeles: Expanding civic participation and donor diversity through democracy vouchers." Los Angeles for Democracy Vouchers, March 20, 2023. <https://tinyurl.com/3dv9s7sa>

increased levels of civic participation, especially among low-propensity voters.⁴ To ensure our city government is more representative, we encourage the Council to research options for expanding our campaign finance system to empower more Angelenos to participate in our democracy.

WHERE MONEY COMES FROM IN LOS ANGELES

An analysis by Los Angeles for Democracy Vouchers of 2022 and 2020 Los Angeles City Council and citywide elections data from the LA Ethics Commission, along with ZIP code level data on race and socioeconomic status from the US Census Bureau, found that money comes disproportionately from the whitest and wealthiest neighborhoods, special interests groups, and people who live outside of Los Angeles City.

In 2022, across three citywide races and eight city council races, there was at least \$148 million in political spending, with \$102 million — 69% of all money spent in 2022 — coming from Rick Caruso and Ramit Varma funding their own campaigns. Breaking down the sources of itemized donations, excluding wealthy self-funders: 31.6% came from people who live in Los Angeles; 27.1% came from the existing matching funds program; 24.0% came from people who live outside Los Angeles; and 17.3% came from corporations, special interests and other groups. This 2022 data ignores an additional \$38 million of independent expenditures, as it is hard to quantify whether this money was spent to influence city wide and city council elections or other races (e.g. school board, state legislature).⁵ Similar trends were found in 2020, where less than half of the money came from people who live in Los Angeles or from the matching funds program.⁶

LOS ANGELES' RACIAL DONATION GAP

The City of Los Angeles is 70% people of color. However, itemized donations in local elections come disproportionately from the whitest and wealthiest neighborhoods in the city. In the 2022 races, excluding Caruso and Varma contributions, the average donation per person from majority white ZIP codes in Los Angeles City was \$13.32, whereas the average donation per person from majority people of color ZIP codes was \$2.25. All told, the average donation per person from majority white ZIP codes in Los Angeles City was 5.93 times the average donation per person from majority people of color ZIP codes.⁷

⁴ Del Río III, Latkowski, and Draskovic, “Empowering Los Angeles,” March 20, 2023.

⁵ Del Río III, Latkowski, and Draskovic, “Empowering Los Angeles,” March 20, 2023.

⁶ Latkowski and Draskovic, “Elevating More Voices,” April 12, 2022.

⁷ Del Río III, Latkowski, and Draskovic, “Empowering Los Angeles,” March 20, 2023.

MONEY AFFECTS WHO GETS ELECTED

While analyses of LA's specific case are limited, national and state-level studies consistently show that the existing campaign finance systems disproportionately benefit white candidates, male candidates, and incumbents. After reviewing different systems across the United States, a 2018 study by the Carnegie Endowment for International Peace concluded that “a shift to public financing at the local level would likely benefit women candidates and candidates of color.”⁸ Women in politics “consistently report that fundraising is more difficult for them than for their male counterparts.”⁹ Studies support this notion, showing that “women have a larger fundraising base than men,” but tend to raise more from small donors, meaning they “may have to spend more time securing many individual contributions.”¹⁰ Further, a 2018 study from the Carnegie Endowment for International Peace found that when elected, “women of color tend to advance political agendas that take into account the particular concerns of both women and communities of color.”¹¹ In a 2019 review of first time candidates from the organization Run for Something, fundraising was cited as one of the top fears of potential candidates when deciding whether to run.¹² New candidates would often report that they “don't know where to start,” are “missing a plan,” “don't like asking for money,” or “lack the personal or institutional network for fundraising.”

DEMOCRACY VOUCHERS AS A PUBLIC FINANCING SYSTEM

“Democracy vouchers” is a campaign finance system in which all residents are issued vouchers that they can donate to political candidates who, in turn, redeem them for public campaign funds. Democracy vouchers help democratize campaign finance by both empowering ordinary citizens to participate more in the financing of political campaigns and empowering political candidates to run for office without relying on — and spending as much time courting — wealthy donors.

In 2015, Seattle became the first US jurisdiction to launch a democracy vouchers program. In 2022, Oakland voters overwhelmingly approved a democracy vouchers program. And in 2023, Minnesota is on the verge of introducing democracy vouchers state-wide. A functioning democracy requires the engagement of ordinary people, as voters, donors, and candidates. Democracy vouchers help meet this requirement not just by limiting big money, but by increasing small money. Every citizen is empowered

⁸ Saskia Brechenmacher, Tackling Women's Underrepresentation in U.S. Politics: Comparative Perspectives from Europe, *Carnegie Endowment for International Peace*, <https://perma.cc/RL8D-742N>

⁹ Saskia Brechenmacher, Tackling Women's Underrepresentation in U.S. Politics.

¹⁰ Dr. Kira Sanbonmatsu, Money and Women Candidates, *Political Parity*, <https://perma.cc/WOE4-78ZK>

¹¹ Saskia Brechenmacher, Tackling Women's Underrepresentation in U.S. Politics.

¹² Run for Something Community Impact Findings, *Avalanche*, Jan. 14, 2019, <https://perma.cc/4KJN-K35A>

to donate and every candidate is empowered to use whatever network they have, no matter how economically disadvantaged, as a fundraising base. Plus, through extra regulations on candidates who opt in to soliciting vouchers, the system can enforce spending limits, contribution limits, public debate requirements, and disclosure requirements on more candidates and races.

THE EFFECT OF DEMOCRACY VOUCHERS IN SEATTLE

In 2015, Seattle approved Initiative 122, or “Honest Elections Seattle,” with 63% of the vote. Among other reforms, I-122 created a democracy vouchers program, to be managed by the existing Seattle Ethics and Elections Commission (SEEC). The program is funded by a property-tax levy of \$3 million per year. The program was implemented in Seattle’s 2017, 2019, and 2021 municipal elections. Each cycle, every city resident receives four vouchers worth \$25 a piece to donate to local candidates. While big-dollar fundraising is still legal for candidates who opt out of the voucher program, campaign finance in the city has dramatically improved. In 2017, across three eligible races, 17 candidates pledged to participate, including five of six general election candidates and all general election winners. In 2019, 35 candidates qualified for the program, including six of seven general election winners. And in 2021, all general election winners used vouchers, including both mayoral candidates in the general election.

The program’s two official goals were to “increase the number of contributors ... and increase the number of candidates.”¹³ Both goals have been achieved. The implementation of vouchers doubled the average number of contributors, and the program has succeeded at attracting new candidates.¹⁴ Additionally, voucher donors more closely match the demographics of registered voters in the city.¹⁵ Prior to vouchers, one of the best predictors of who would be a cash donor was whether or not someone lived in a house with a view of the water.¹⁶ Today, that is no longer true — donors are more diverse by race, income, age, and location within the city.¹⁷ Indeed, as of the 2021 elections, studies find that “voucher users were similar to voters ... in terms of age, income and race,” meaning that the program has succeeded in ensuring that the city’s donor pool matches the city’s voter pool.¹⁸

¹³ Democracy Voucher Program Biennial Report 2017, *Seattle Ethics & Elections Commission*, <https://tinyurl.com/y3ay546h>

¹⁴ Seattle Democracy Voucher Program Evaluation, *BERK, City of Seattle Ethics and Elections Commission*, Apr. 20, 2018, <https://perma.cc/6GCV-GZT3>; 2019 Election Cycle Evaluation, *BERK*, <https://tinyurl.com/2stzkc4u>

¹⁵ Brian J. McCabe and Jennifer A. Heerwig, Diversifying the Donor Pool: How Did Seattle’s Democracy Voucher Program Reshape Participation in Municipal Campaign Finance?, *Election Law Journal*, Dec. 12, 2019, <https://perma.cc/U6FW-8RZ5>

¹⁶ Alan Durning, Who Funds Seattle’s Political Candidates?, *Sightline Institute*, Jul. 21, 2015, <https://perma.cc/8K3B-EVEK>

¹⁷ Brian J. McCabe and Jennifer A. Heerwig, Diversifying the Donor Pool

¹⁸ Brian J. McCabe and Jennifer A. Heerwig, Broadening Donor Participation in Local Elections: Results from the Seattle Democracy Voucher Program in 2021. Georgetown University, August 2022, <https://tinyurl.com/3jibzm46u>

Voter engagement has increased, for after using vouchers, people become substantially more likely to vote.¹⁹ In part, this is because voucher candidates spend more time talking to ordinary people, as everyone has the capacity to give \$100 (the value of Seattle's vouchers), regardless of their disposable income. New and diverse candidates can run for office and win — with many reporting they could not have raised enough money without vouchers.²⁰ What's more, there is evidence that voucher users were more likely to vote than other registered voters (even after accounting for prior levels of engagement). One study of the 2017 election found that after using a voucher, low propensity voters became 7.4 times more likely to vote, while previous nonvoters became 10.2 times more likely to vote.²¹ These stunning numbers are likely the result of the increased interactions between candidates and low-propensity voters that the program incentivizes. Though it can't be provably attributable to vouchers, overall Seattle voter turnout with vouchers increased in the 2021 municipal election vs. the last mayoral election before vouchers in 2013, with 54.6% of registered voters turning out to vote in 2021 vs. the already-high 52.5% Seattle turnout in 2013.²²

Finally, the number of individuals participating in the campaign finance system grew over 500% since introducing the democracy vouchers program. In 2013 and 2015, before the Democracy Vouchers Program was in place, 8,777 and 9,849 individuals, respectively, made cash contributions to municipal elections. By 2021, the total number of individuals participating grew to 59,567.²³ These numbers underscore the barrier that requiring disposable income creates for participation.

¹⁹ Expanding Participation in Municipal Elections: Assessing the Impact of Seattle's Democracy Voucher Program, *University of Washington Center for Studies in Demography & Ecology*, <https://csde.washington.edu/wp-content/uploads/2018/04/Seattle-Voucher-4.03.pdf>

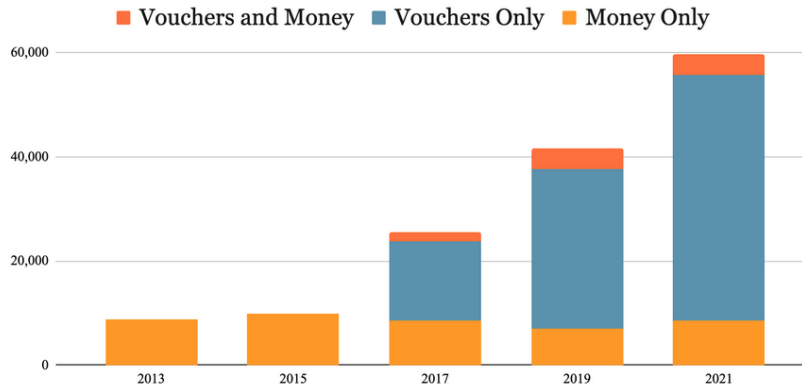
²⁰ Jimmy Tobias, Imagine a Campaign-Finance System That's the Opposite of Today's Dark-Money Monster, *The Nation*, <https://tinyurl.com/nm8j3e96>

²¹ Keshavan Sridhar and Chris Langelier, Honest Election Seattle Initiative: Democracy Voucher Usage and Low-Turnout Voter Engagement Evaluation in 2017 and 2019, *WinWin Network*, <https://drive.google.com/file/d/1mkMHu6rajpOLu2lkBxavv0H-Ucpr-JC/view>

²² Doug Trumm, 'Voter Turnout Maps Tell Tale of Two Cities: Urban and Suburban', *The Urbanist*. December 10, 2021. <https://tinyurl.com/3hxfdnfu>

²³ Del Rio III, Latkowski, and Draskovic, "Empowering Los Angeles," March 20, 2023.

Seattle Contributions by Unique Individuals



Source: Seattle Ethics and Elections Commission

THE PROMISE OF THE REPORT

This report will help Los Angeles municipal leaders and communities better understand the feasibility of establishing a democracy vouchers program by including 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, including options for full public financing of campaigns.

CONCLUSION

We thank Councilmember Raman for spearheading this motion, as well Councilmember Harris-Dawson and Councilmember Soto-Martinez for their leadership co-presenting this item. We also thank Councilmembers Park, Hernandez, and Yaroslavsky for seconding the motion. Researching the feasibility of establishing a Democracy Vouchers Program, including options for full public financing, will inform Los Angeles City on how to create an even more expansive campaign finance system that allows more Angelenos to participate in their democracy. By eliminating the need for disposable income, democracy vouchers will ensure the maximum number of people allowed under the law can make their voices heard. With democracy vouchers, candidates are incentivized to focus on reaching everyday Angelenos, boosting the power of small donors and allowing candidates to run competitive campaigns without wealthy donors. Los Angeles can empower more everyday Angelenos to participate in their democracy and with elected representatives that genuinely represent our community.

Sincerely,

Abundant Housing LA
Amar Shergill, Progressive Caucus Chair, California Democratic Party
California Clean Money Campaign
California Donor Table
Courage California
Democracy Policy Network (DPN)
Feel the Bern Democratic Club, Los Angeles County
Fix Democracy First
Former Councilmember Mike Bonin
Green Party of Los Angeles County
How the West Was Saved
LA Forward
League of Women Voters of Greater Los Angeles (LWV LA)
Los Angeles for Democracy Vouchers (LADV)
Mar Vista Voice
Money Out Voters In (MOVI)
Neighborhood Council Sustainability Alliance (NCSA)
The River Project
RepresentUs
Unrig LA
Valley Justice Coalition
Wellbeing Economy Alliance California
Youth Climate Strike Los Angeles

-Additional Signers Pending