

Campaign Contributions – Anna Crain

Should limits be placed on campaign contributions to reduce their influence on City governance.

The League of Women Voters started monitoring campaign financing in Alameda during the November 2018 election and posted the totals on our website in graphics that portray the information to easily to the public. This gave us additional insight into the use of money in elections. The expenditures have been rising. The five candidates spent a total of \$216,271 in the November election. One council candidate spent over \$85,000. Almost 53% of contributions to City Council candidates came from people and organizations not located in the City of Alameda. Slightly over 56% came over individuals with the rest coming from special interest groups including unions, businesses and political campaigns and PACS. 54% of donations to Council Members were \$1000 or more. We found a similar pattern in other races.

The level of campaign contributions and expenditures give rise to a number of concerns. High average campaign spending discourages candidates without established funding sources from entering races. Large donations can generate an arms race where each candidate seeks to maximize spending to avoid being overwhelmed by the competition. This is particularly a problem when we get involved with attack ads and negative campaigning. Large donors may exert influence over candidates they helped to elect by putting the donors interests ahead of their constituents. Alameda is the only City of its size in Alameda County that has no rules that limits donations or expenditures. There are no restrictions on the sources of funds, no mandates that funding sources be identified on ads and publication and on lawn signs. The FPCC suggests but does not mandate this.

Different cities in the Bay Area have implemented a variety of approaches to address these concerns. Among these policies are:

- Limit on donations for organizations or individuals. For example, \$700 per candidate per election cycle
- Ban donations from certain types of entities. Ex. entities, lobbyist, developers, City contractors and alike
- Set ceilings on expenditures. Ex. A flat amount or so much per registered voters
- Replace at large elections with district races to lower the cost for candidates to run
- Mandate disclosure of funding sources on all campaign materials with stricter regulation than those imposed by the FPCC. Ex. Flyers, pamphlets, ads and lawn signs
- Provide public funding to support the election process such as paying for candidates statements in ballot packages, establishing a website where all candidates can post materials or establishing a pool of funds for candidates who agree to spending limitations can draw from.
- Establish disclosure and conflict of interest rules of elected officials prohibiting their voting on issues that affect their major contributors

Serious concerns have been raised about attempts to control campaign contributions through one or more of these methods. These issues are complex and there is no consensus amongst cities as to which are most effective elements, so selecting one or more as a solution to the problems would be difficult.

- Tighter controls on campaign expenditures may drive financing underground encouraging the increased use of dark money that is spent independently on behalf of candidates without disclosing the source
- Campaign contributions are a form of free speech and should not be limited

- Transparency making it clearer to the electorate or other candidates where funding is coming from may be sufficient to address the problems without campaign limits

The questions before you tonight are:

- Are you concerned enough about the influence of campaign contributions on City governance to suggest that some limits may be put on them?
- If so, is this something that should go into the City Charter or something that should be dealt with by City Council or through an additional public initiative?
- If it should be included in the Charter, should the amendments specify a solution or mandate a process by which a range of solutions can be studied and recommended to the Council or electorate?