PHILANTHROPY NORTHWEST

WASHINGTON BRIGHT SPOT

DEMOCRACY VOUCHERS

As a part of our Democracy Lens tools, for each state in our region, we report a data snapshot and case studies (called Bright Spots) about philanthropy's role in democracy. You can access all these data and Bright Spots on the Democracy Northwest webpage.

The way candidates raise campaign funds has had a corrosive impact on who wins elections and how they govern. Wealthy interests are investing larger sums of money in politics to alter politicians' policy views in favor of those who fund their campaigns, as opposed to accountability with the general public. Much of the campaign finance regulatory system was established by the Federal Election Campaign Act of 1971 and, based on the public outcry from the Watergate scandal, subsequent amendments in 1974. A key aspect of this legislation was a limit on campaign expenditures by candidates, political parties and political action committees (PACs).[2] Two United States senators challenged the provision in court, and in 1976, the Supreme Court of the United States ruled in Buckley v. Valeo that such a restriction constitutionally infringed on the First Amendment right to free speech.[3]

Since this landmark decision, many campaign finance advocates have focused on advancing publicly financed campaigns as a different way to limit the influence of money in politics. There a few general models for such systems, two of which have been implemented in the Northwest.

Seattle, WA. From 1979 to 1991, the City of Seattle matched the first $50 of contributions to municipal races from residents in the city, as long as the candidates abided by certain expenditure limits. In 1992, Washington voters approved I-134, halting Seattle's program by barring political campaigns from using public funds.[4] The state legislature repealed the ban in 2008.[5]

Portland, OR. In 2005, the City of Portland adopted its first publicly financed campaign system called "Voter-Owned Elections." Participating candidates had to raise between 1,000 and 1,500 five-dollar contributions from city residents. If successful, they would qualify for a lump-sum grant of either $200,000 for mayoral candidates or $150,000 for auditor and commissioner candidates for the primary, with additional funds if they advanced to the general election. Further, publicly financed candidates would also be eligible for supplemental funds if a non-participating candidate outspent them. Partially as a result of two high-profile scandals involving misuse of funds and forged signatures, voters repealed the program in 2010 by a narrow margin.[6] In 2017, Portland commissioners approved a new public financing system, similar to that of New York City, which provides a 6-to-1 match on the first $50 of a qualifying contribution.[7]

Given the current jurisprudence on campaign finance, what is the best way to structure a publicly financed campaign system to reduce the influence of narrow, moneyed interests and promote more civic engagement? Seattle's experiment with Democracy Vouchers provides an innovative approach to this challenge.

Democracy Vouchers in Seattle

In November 2015, Seattle voters passed the citizen-led initiative known as "Honest Elections Seattle" (I-122). Under this new system, developed under the leadership of Alan Durning of Sightline Institute, a Northwest sustainability think-tank, registered voters in Seattle receive four $25 Democracy Vouchers by mail. They are then free to distribute them to one or more qualified candidates as they choose. To qualify, candidates must collect contributions from between 150 and 400 residents of at least $10 but no more than $250.[8]

In the 2017 primary and general elections, the only positions for which vouchers could be used were for city council and city attorney. In the 2021 election and beyond, vouchers will also be used in the mayoral race. To finance the system, voters also approved a property tax of $3 million per year from 2016 through 2025.[9] The Democracy Voucher Program costs the average homeowner about $11 per year.[10]

The Impact of Democracy Vouchers

In a 2017 study published by the Washington state-based Win/Win Network and Every Voice, a national advocacy group, Democracy Vouchers had the desired effect of democratizing political giving. At least 25,000 Seattle residents participated as campaign donors in the 2017 municipal elections, including 18,000 through Democracy Vouchers. That is more than twice the roughly 8,200 people who donated to candidates in 2013. Further, Democracy Vouchers appear to have increased political giving by younger people, lower-income people, women and people of color, based on data compared to past elections. About 84 percent of donors were new donors who had not donated in 2013 or 2015. Of these, 71 percent donated Democracy Vouchers.[11]

The Role of Philanthropy

Support for I-122 came from a variety of nonprofit and philanthropic sources. Major contributors to the campaign include: Every Voice, which provided $391,000; Washington Communication Action Network, which contributed $352,000; Sean Eldridge, a New York philanthropist and LGBT activist, who gave $200,000; and Win/Win Action, which gave $69,000. Public Citizen Foundation in Washington, DC, contributed $250.[12]

More generally, funders concerned about the negative effects of money in politics have played a significant role in shaping campaign finance reform. Established in 2010, the Piper Fund is a donor collaborative based in Amherst, MA, focused mostly on advancing publicly financed campaigns and reshaping current jurisprudence.[13] The Piper Fund granted $200,000 to Washington Communication Action Network to support I-122 for grassroots activists to have a seat on the campaign steering committee.[14]

Key Takeaways

- Measures to improve the public financing of elections, such as through democracy vouchers, can limit the distorting effect of money in political campaigns and increase political participation from parts of the public that are often less visible in politics.
- Major efforts often require support from a variety of sources. Each philanthropic contribution can be leveraged through strong collective commitment to an issue, including through funding collaboratives.

Endnotes

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