

EXPANDING DONOR PARTICIPATION *in the* DISTRICT

An Analysis of the Fair Elections Program in Washington, DC

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A blue-tinted photograph of a lake with trees in the background and a tree branch in the foreground.

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Executive Summary

- In 2020, more than 13,700 District residents contributed to a candidate running for a seat on the Council – more than double the number of donors in previous election cycles.
- When matched at a 5:1 ratio through the Fair Elections program, the average donation (\$63) to a candidate participating in the program (“participating candidate”) in the At-Large Council races was worth \$378 – nearly \$150 more than the average donation (\$250) to a non-participating candidate. When matched through the Fair Elections program, the average donation (\$44) to a participating candidate in the Ward Council races was worth \$264 – only slightly more than the average donation (\$253) to a non-participating candidate.
- Participating candidates relied more heavily on small-dollar donors to fund their campaigns. In the At-Large Council races, 31 percent of donors to participating candidates gave \$25 or less, compared to only 16 percent of donors to non-participating candidates. In the Ward Council races, 30 percent of donors to participating candidates gave \$25 or less, compared to only 9 percent of donors to non-participating candidates.
- With an increase in small-dollar donors, the size of the average donation to a Council candidate fell by about 50 percent from the 2018 election to the 2020 election. The average donation to candidates in the At-Large races fell from \$208 to \$113. The average donation to candidates in the Ward races fell from \$189 to \$87.
- Participating candidates relied more heavily on *new donors* – those who had not contributed to a Council candidate in the previous four election cycles – to finance their campaigns. Nearly 76 percent of donors to participating candidates were new donors. By contrast, only about 56 percent of donors to non-participating candidates were new donors.
- Participating candidates in the At-Large race relied more heavily than non-participating candidates on donors from Wards 1, 5 and 6 to fund their campaigns. On the other hand, non-participating candidates relied more heavily than participating candidates on donors from Wards 2 and 3.

Introduction

The Fair Elections program aims to transform the way local elections are funded in Washington, DC by matching donations from individual donors to qualified candidates. For every dollar contributed by a DC resident, the program provides five dollars in matching funds. This type of public financing program is designed to diversify the slate of candidates, expand the pool of donors, and elevate the voices of small-dollar donors in municipal elections.

This policy brief begins with an overview of the Fair Elections program and a comparison to other municipal financing programs. Then, drawing on records from the Office of Campaign Finance (OCF), it evaluates changes in the pool of donors contributing to Council candidates. It compares changes in the donor pool across election cycles before evaluating how the donor coalitions assembled by participating candidates differed from those assembled by non-participating candidates. Finally, the brief identifies policy changes to further incentivize participation and advance key programmatic goals.

PROGRAM BACKGROUND

In 2018, the Council passed the Fair Elections Act to transform the way political campaigns are financed in the District. Nearly seventy local and national organizations dedicated to progressive politics and grassroots democracy formed the DC Fair Elections Coalition to advocate for the legislation. The Council unanimously passed the Fair Elections Act in January 2018, and the Mayor signed the Act into law two months later.¹ With this

legislation, the District joined nearly a dozen other cities, including New York City, San Francisco, and Los Angeles, in providing matching funds for small-dollar contributions in local elections.²

PROGRAM RULES

The Fair Elections program is an optional public financing program. Candidates seeking positions on the Council or the State Board of Education, as well as those seeking the offices of Mayor or Attorney General, are eligible to participate. Candidates for the Advisory Neighborhood Commission are *not* eligible for matching funds. Under the program rules, small campaign contributions made by District residents to qualified candidates are matched with public funds at a 5:1 ratio. In other words, when a DC resident donates \$10 to a qualified candidate, the Fair Elections Program provides an additional \$50 in matching funds, thereby yielding \$60 for the candidate.³ After qualifying for the Fair Elections program, these candidates (“participating candidates”) automatically receive a base payment that provides seed money for their campaigns. Participating candidates for each Council position receive a base payment of \$40,000, as noted in Table 1.

To participate in the Fair Elections program, prospective candidates submit a registration statement to the Director of Campaign Finance in the Office of Campaign Finance within five days of declaring their candidacy. Candidates qualify for the program by raising a baseline amount of money from a minimum number of small-dollar donors in the District, as noted in Table 1. These qualifying thresholds differ

across offices. Candidates for Council Chairman must collect \$15,000 from 300 DC residents. Candidates for an At-Large position on the Council must collect \$12,000 from 250 DC residents. Candidates for a Ward position on the Council must collect \$5,000 from 150 DC residents.⁴

Participating candidates agree to abide by certain rules designed to bolster grassroots campaigning. Most importantly, participating candidates agree to lower contribution limits from individual donors than non-participating candidates. Participating candidates seeking an At-Large seat can only accept individual contributions up to \$100, while those running under the traditional financing rules can accept donations up to \$1,000. Participating candidates seeking a Ward seat on the Council can accept contributions up to \$50, while those

running under the traditional financing rules can accept donations up to \$500. These contribution limits apply to both resident and non-resident contributors, although only contributions from resident donors are matched through the Fair Elections program.⁵

Participating candidates also agree to abide by restrictions on self-financing. Council candidates (and their families) can only donate \$2,500 to their campaigns. Participating candidates are not permitted to accept contributions from traditional PACs and businesses. However, they can accept up to \$1,500 in unmatchable contributions from People PACs.⁶ Participating candidates must also agree to participate in at least one debate (unless they are running unopposed or against a non-participating candidate who declines to debate).⁷

Table 1: Qualifying thresholds in the 2020 Fair Elections program⁸

	Minimum Qualifying Amount	Minimum Number of Qualifying Donors	Base Payment	Maximum Matching Payments	Maximum Contribution to Participating Candidates	Maximum Contribution to Non-Participating Candidates
Mayor	\$40,000	1,000	\$160,000	NA	\$200	\$2,000
Attorney General	\$20,000	500	\$40,000	NA	\$200	\$1,500
Council Chairman	\$15,000	300	\$40,000	NA	\$200	\$1,500
At-Large Council	\$12,000	250	\$40,000	\$308,639	\$100	\$1,000
Ward Council	\$5,000	150	\$40,000	\$241,055	\$50	\$500

PROGRAM GOALS

Supporters of the Fair Elections program identify four key goals.⁹

- By lowering the barriers to seeking elective office, public financing will incentivize more candidates to run for office and lead to a more diverse slate of candidates.
- The program will bolster the influence of small-dollar donors in citywide elections, thereby amplifying the voices of everyday residents as they communicate their political priorities.
- Public financing will foster interactions between candidates and their constituents in the political process.
- It will relieve candidates of the time-intensive burdens of top-dollar fundraising by increasing the importance of small-dollar donors.

However, critics of the Fair Elections program worry about the cost of the program and the feasibility of achieving program goals. Specifically, they contend that providing an unlimited match to candidates for Mayor, Attorney General and Council Chairman will force taxpayers to pay for expensive campaigns. They also recognize that public financing will utilize taxpayer money to finance the campaigns of candidates with whom taxpayers disagree.¹⁰

THE 2020 ELECTION CYCLE

In 2020, voters had the opportunity to select candidates for six Council seats – two At-Large seats, as well as seats in Wards 2, 4, 7 and 8.¹¹ Overall, 28 candidates gained ballot access in the primary election and 35 candidates gained ballot access in the general election. Voters elected three new members to the Council – Brooke Pinto in Ward 2, Janeese Lewis George in Ward 4 and Christina Henderson for an At-Large seat. The remaining positions were won by incumbents Vincent Gray, Trayon White and Robert White.

Overall, 28 candidates participated in the Fair Elections program. Most incumbent candidates opted *not* to participate in the program. In the general election, only three candidates who signaled their intent to participate in the Fair Elections program (and ultimately qualified for the ballot) did not get certified for the program.¹² By the end of the election, the Office of Campaign Finance (OCF) distributed just under \$4 million of public funding to candidates in both the primary and general elections, including candidates in the Board of Education races. This is about 25% above the CFO's estimated \$3.2 million cost for the program.¹³ Only two candidates in the Council elections, Janeese Lewis George and Ed Lazere, reached the cap on matching funds (\$241,055 and \$308,639, respectively) imposed by the Fair Elections program.

Public Financing in Municipal Elections

With the establishment of the Fair Elections program, the District joined a handful of other cities and states that provide public financing to candidates in municipal elections. To provide context for the program, this section compares the details of the Fair Elections program to matching programs for Council candidates in other cities.

In the District, candidates seeking public financing must qualify to participate by collecting contributions from a minimum number of small-dollar donors *and* raising a minimum amount of money. In Table 2, we compare the *qualifying thresholds* in the District to the thresholds for City Council candidates in other cities.¹⁴ While the total amount of money required to qualify for the Fair Elections program is typical, the program requires Council candidates to amass more contributors than comparable programs in other cities.

In the District, candidates for a Ward seat are required to collect \$5,000 from at least 150 residents to qualify for the Fair Elections program.¹⁵ Candidates for an At-Large seat are required to collect \$12,000 from 250 residents to qualify for the program. By contrast, candidates in Los Angeles, San Francisco and Denver are only required to collect qualifying donations from 100 residents.

Additionally, each program caps the size of a qualifying contribution, as reported in Table 2. Compared to other cities, the maximum size of a qualifying contribution is relatively low in the District. Candidates for Ward positions can accept a qualifying contribution up to \$50. Those competing for an At-Large position can accept donations up to \$100. By contrast, the maximum qualifying contribution in a districted Council race in New York City is \$175. This limit is \$200 in Denver and \$150 in Baltimore. Thus, to

Table 2: Qualifying thresholds in public financing programs¹⁶

	Minimum Qualifying Amount	Minimum Number of Qualifying Donors	Maximum Qualifying Contribution
Washington, DC: Council Chairman	\$15,000	300	\$200
Washington, DC: Council At-Large	\$12,000	250	\$100
Washington, DC: Council Ward	\$5,000	150	\$50
New York City: City Council	\$5,000	75	\$175
Los Angeles: City Council	\$11,400	100	\$114
San Francisco: Board of Supervisors	\$10,000	100	\$100
Denver: City Council At-Large	NA	100	\$350
Denver: City Council	NA	100	\$200
Baltimore: City Council President	\$15,000	250	\$150
Baltimore: City Council	\$5,000	150	\$150
Tucson: City Council	NA	200	\$500
Long Beach: City Council	\$5,000	NA	\$100
Berkeley, CA: City Council	\$540	30	\$50
Boulder: City Council	\$2,074	NA	\$25
Santa Fe: City Council	NA	50	\$5

qualify for the Fair Elections program, candidates in the District are required to raise funds from a larger number of small-dollar donors, each of whom is permitted to contribute less money to the campaign. This suggests that the burdens of qualifying in the District are higher than in other cities.

After qualifying for public financing, candidates are typically required to abide by contribution limits that are lower than those for non-participating candidates. In the District, participating At-Large Council candidates can accept donations up to \$100 while non-participating candidates can accept donations up to \$1,000. Participating candidates in Ward races can accept donations up to \$50 while non-participating candidates can accept donations up to \$500. Table 3 identifies the maximum individual contribution limits to

participating and non-participating candidates across cities. Notably, the contribution limit to non-participating candidates in the District is ten times higher than the contribution limit to participating candidates – a gap that is larger than nearly every other city with a matching program.

Candidates participating in the Fair Elections program receive a 5:1 match for donations from District residents. This ratio is consistent with similarly sized cities. Los Angeles, Portland and San Francisco each use a 6:1 match, as reported in Table 4. Several smaller cities, including Boulder and Santa Fe, use a 1:1 match. The program in Baltimore relies on a progressive matching scheme that varies according to the size of the contribution. Table 4 also shows that the Fair Elections program is unique in providing base payments to candidates who

Table 3: Contribution limits to participating and non-participating candidates in public financing programs¹⁷

	Contribution Limit to Participating Candidates	Contribution Limit to Non-Participating Candidates	Ratio of Contribution Limits to Non-Participating and Participating Candidates
Washington, DC: Council Chairman	\$200	\$1,500	7.5 : 1
Washington, DC: At-Large Council	\$100	\$1,000	10 : 1
Washington, DC: Council Ward	\$50	\$500	10 : 1
New York City: City Council	\$1,000	\$2,850	2.9 : 1
Los Angeles: City Council	\$800	\$800	1 : 1
San Francisco: Board of Supervisors	\$500	\$500	1 : 1
Denver: City Council At-Large	\$350	\$700	2 : 1
Denver: City Council	\$200	\$400	2 : 1
Baltimore: City Council President	\$150	\$6,000	40 : 1
Baltimore: City Council	\$150	\$6,000	40 : 1
Tucson: City Council	\$500	\$500	1 : 1
Long Beach: City Council	\$400	\$400	1 : 1
Berkeley, CA: City Council	\$50	\$250	5 : 1
Boulder: City Council	\$100	\$100	1 : 1
Santa Fe: City Council	\$100	\$1,000	10 : 1

qualify for the program. Only the program in San Francisco provides similar base payments to Council candidates. In DC, candidates for the Council receive \$40,000 base payments after qualifying for the program.

While candidates running for Council Chairman (as well as Mayor and Attorney General) in the District are eligible for unlimited matching funds, those vying for other positions on the Council have a cap on the amount of public funds that they are eligible to receive. This cap is equal to 110 percent of the average expenditures for winning candidates in the two previous election cycles. As noted in Table 4, every other city sets limits on the public funds that candidates are eligible to receive. These limits ensure that public

financing programs avoid paying out excessive amounts of money to publicly funded candidates, but they leave open the possibility that non-participating candidates could significantly outspend participating candidates.

Finally, the Fair Elections program does not set expenditure limits on the total amount of money participating candidates are permitted to spend. In cities where they exist, including New York City, Los Angeles, and San Francisco, these limits curtail the amount of money in politics by prohibiting candidates from spending beyond the expenditure limit. However, several cities with expenditure limits will raise the limits if a privately financed candidate greatly outspends a publicly financed candidate.

Table 4: Match ratios, base payments and expenditure limits in public financing programs¹⁸

	Match Ratio (X:1)	Match Limit	Base Payment/Grant	Expenditure Limit
Washington, DC: Council Chairman	5	NA	\$40,000	No Limit
Washington, DC: At-Large Council	5	\$308,639	\$40,000	No Limit
Washington, DC: Council Ward	5	\$241,055	\$40,000	No Limit
New York City: City Council	8	\$377,776	\$0	\$431,000
Los Angeles: City Council	6	\$362,000	\$0	\$1,047,000
San Francisco: Board of Supervisors	6	\$195,000	\$60,000	\$350,000
Denver: City Council At-Large	9	\$250,000	\$0	No Limit
Denver: City Council	9	\$125,000	\$0	No Limit
Baltimore: City Council President	Variable	\$500,000	\$50,000	No Limit
Baltimore: City Council	Variable	\$250,000	\$0	No Limit
Tucson: City Council	1	\$71,6887	\$0	\$143,374
Long Beach: City Council	0.50	\$17,000	\$0	\$34,000
Berkeley, CA: City Council	6	\$43,000	\$0	No Limit
Boulder: City Council	1	\$10,370	\$0	\$20,740
Santa Fe: City Council	1	\$3,750	\$15,000	\$22,500

Data and Methodology

This analysis draws on records from the Office of Campaign Finance (OCF) to track contributions to local candidates.¹⁹ We create a single, unique file of individual contributions to all candidates from 2007 through 2020. Using the name of the campaign committee to identify the office sought by each candidate, we limit our dataset to contributions made to Council candidates during the study period. We use these campaign committee names to separately identify whether candidates sought a Ward position, an At-Large position, or the Chairmanship of the Council. During this period, we identify 355 unique campaigns for the Council and a total of 99,422 unique contributions.²⁰

Each record from the OCF reports a unique *contribution*. To provide an analysis of donors in municipal election, we create an index measure that groups together contributions from the same individuals. Since a single donor sometimes contributes multiple times to the same candidate in an election cycle, this measure enables us to aggregate their contributions into a single donation. By way of example, a donor (e.g., John Carroll) who contributed \$10 on three separate occasions to a single candidate (e.g., Robert White) in the 2020 election cycle would be recorded only once in our dataset as making a \$30 contribution.²¹

Findings

We begin by comparing donors in Council races during the 2020 election cycle with donors in Council races during the previous election cycles. This analysis provides a background for understanding changes to the donor pool in 2020. We then compare the donor coalitions of candidates who used the Fair Elections program (“participating candidates”) to the donor coalitions assembled by candidates who did *not* use public financing (“non-participating candidates”) in the 2020 election cycle. Since the Fair Elections program was designed to increase participation among District residents and amplify their voices in local elections, we limit the analysis to District residents unless otherwise noted. These donors are interchangeably referred to as resident donors, DC donors or District donors.

As readers learn about the Fair Elections program in the 2020 election cycle, they should be mindful of the limitations from an analysis of a single election cycle. Other local political factors, including the open At-Large seat, the Ward 2 special election and the decision of nearly all incumbent candidates *not* to participate in the Fair Elections program, also played a role in shaping program participation and donor involvement.

DONORS IN COUNCIL ELECTIONS

In 2020, 13,373 District residents – or about 2.29 percent of eligible voters – donated to *at least* one candidate running for the Council. These DC donors accounted for 70.6 percent of all donors to Council candidates. There were 5,587 non-resident donors in 2020. They accounted for the remaining 29.4 percent of donors to Council candidates.

Candidates in the Fair Elections program collected a larger share of their donations from residents of the District. Participating candidates collected donations from 10,665 District residents. These resident donors made up 74.3 percent of all donors to participating candidates, as shown in Figure 1. By contrast, non-participating candidates collected donations from 3,394 residents. These donors constituted 63.2 percent of all donors to non-participating candidates.²²

The number of contributors to Council elections climbed in 2020. Figure 2 reports the number of donors in Council elections from 2008 to 2020. In the most recent election before the Fair Elections Program, 6,455 District residents contributed to a candidate running for a position on the Council. The total number of resident donors more than doubled to 13,373 donors in 2020.

Figure 2 also identifies the number of unique donors in the At-Large and Ward races. In the At-Large Council races, Figure 2 shows that the number of DC donors climbed from 3,120 residents in 2018 to 7,109 residents in 2020. In the Ward Council races, Figure 2 shows that the number of DC donors climbed from 2,939 residents in 2018 to 7,619 residents in 2020.

Most DC donors contributed to a single Council candidate. Figure 3 reports that nearly 85 percent of donors gave to just one Council candidate in 2020. Another 10 percent of donors contributed to two candidates in the Council races. Only about 650 donors - slightly fewer than 5 percent - contributed to 3 or more candidates for the Council. These patterns are consistent with previous election cycles. In 2018, only about 4 percent of resident donors gave to 3 or more candidates seeking a Council position.

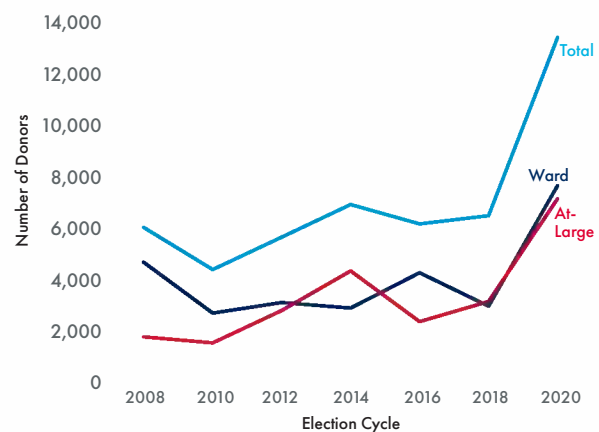
Figure 1: 74 percent of donors to participating candidates live in Washington, DC

Share of donors from Washington, DC to participating and non-participating candidates, 2020



Figure 2: Number of DC donors to Council candidates, 2008 – 2020

In 2020, more than 13,000 DC residents donated to a Council candidate



This suggests that *most* donors contribute to a single candidate for Council rather than pursuing donation strategies that support multiple candidates.

The number of resident donors varied widely across candidates. Figures 4a and 4b plot the total number of resident donors in the coalitions assembled for each candidate in the At-Large (Figure 4a) and Ward (Figure 4b) contests. Ed Lazere had 1,846 resident donors – the largest

number of residents donors among At-Large candidates. Among the four At-Large candidates with the largest number of donors, two candidates participated in the Fair Elections program and two candidates did not participate.

In the Ward races, Janeese Lewis George had the most resident donors, followed by Brandon Todd. Five of the six candidates with the largest number of donors participated in the Fair Elections program, while the remaining two did not. Although Figures 4a and 4b show extensive variation in the number of unique donors, they reveal no obvious patterns between participating and non-participating candidates.

Figure 3: 85 percent of DC donors gave to only one Council candidate in 2020

Share of DC donors who gave to one Council candidate, two Council candidates and three or more Council candidates, 2020



Figure 4a: Ed Lazere and Marcus Goodwin had the most DC donors in the At-Large race²³

The number of DC donors to each candidate in the At-Large races, 2020

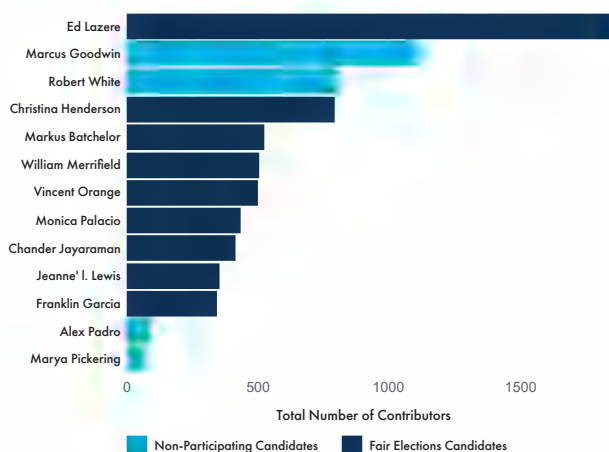
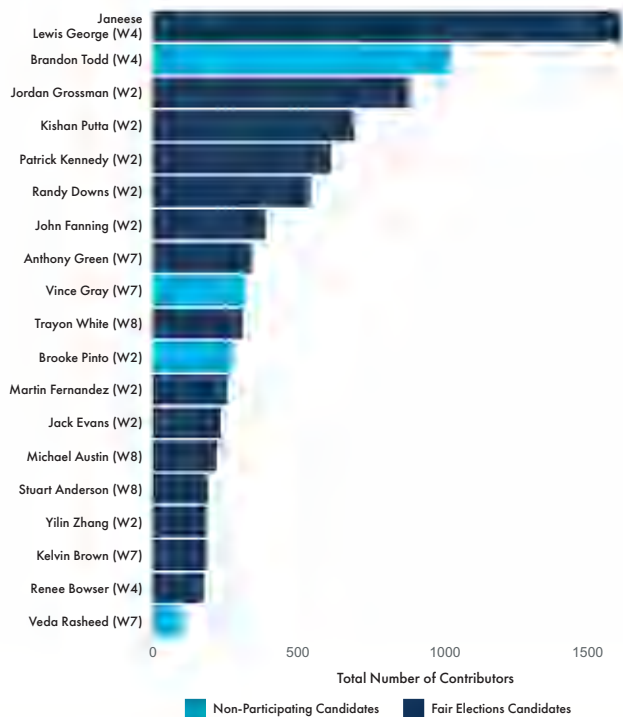


Figure 4b: Janeese Lewis George and Brandon Todd had the most DC donors in the Ward races

The number of DC donors to each candidate in the Ward races, 2020



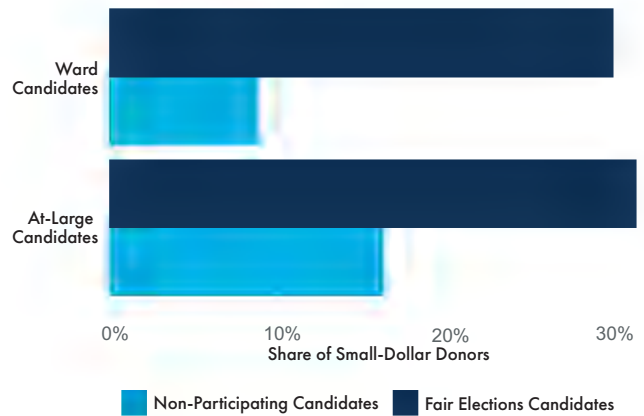
SMALL-DOLLAR DONORS

The Fair Elections program sought to increase the participation of small-dollar donors in financing municipal elections. We define small-dollar donors as those who contributed \$25 or less to a candidate. Figure 5 shows that participating candidates collected substantially more donations from small-dollar donors, compared to non-participating candidates. In the At-Large race, 31 percent of donors to participating candidates gave \$25 or less, compared to only 16 percent of donor to non-participating candidates. Notably, about 42 percent of donors to participating candidates in the At-Large race made the maximum contribution of \$100, which yielded participating candidates \$600 when matched through the Fair Elections program. Only 12 percent of donors to non-participating candidates contributed \$600 or more.

In the Ward races, 30 percent of donors to participating candidates gave \$25 or less, compared to only 9 percent of donors to non-participating candidates. About 56 percent of donors to participating candidates gave the maximum amount of \$50, which yielded

Figure 5: More than 30 percent of DC donors to participating candidates were small-dollar donors

Share of DC donors who contributed \$25 or less to participating and non-participating candidates

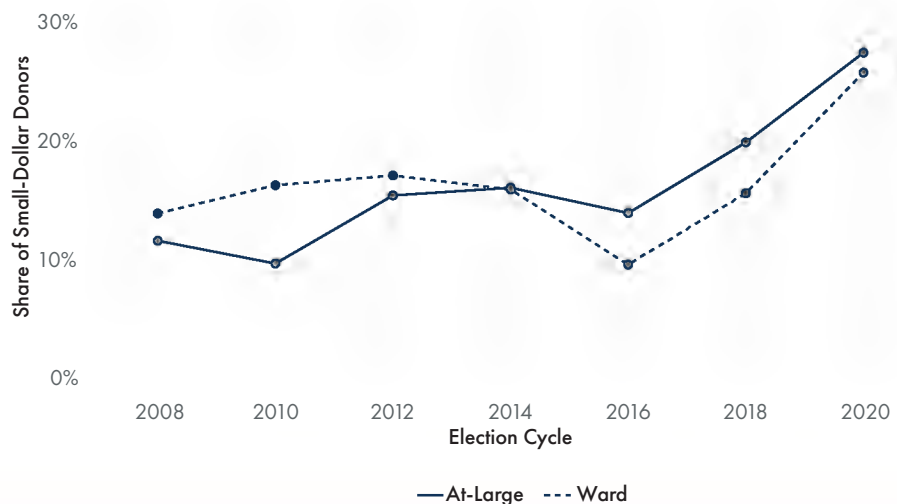


participating candidates \$300 when matched through the Fair Elections program. Only about 36 percent of donors to non-participating candidates contributed \$300 or more. However, about 5 out of 6 of these high-dollar donors contributed the maximum donation of \$500.

As participating candidates attracted a growing share of small-dollar donors, the number of donors contributing \$25 or less climbed dramatically in 2020. Figure 6 reports the share

Figure 6: The share of small-dollar donors climbed above 25 percent in 2020

The share of DC donors who gave \$25 or less to Council candidates, 2008 - 2020



of donors who contributed \$25 or less to a candidate in each Council election from 2008 - 2020. In the At-Large races, the share of small-dollar donors climbed from less than 20 percent in 2018 to 27 percent in 2020. In the Ward races, the share of small-dollar donors climbed from less than 16 percent in 2018 to nearly 26 percent in 2020.

AVERAGE DONATION SIZE

As more small-dollar donors contributed to Council candidates, the average size of a donation fell. Figure 7 reports the mean contribution to At-Large and Ward candidates in each election cycle since 2008. From 2018 to 2020, the mean donation to an At-Large candidate fell from \$208 to \$113. The mean donation to a Ward candidate fell from \$189 to \$87.

In the 2020 At-Large races, the average contribution to a non-participating candidate was \$250. By contrast, the average contribution to a participating candidate was \$63. When matched at a 5:1 ratio, this contribution was worth \$378 – nearly \$130 more than the contribution to a non-participating candidate.

In the 2020 Ward races, the average contribution to a non-participating candidate was \$253. By contrast, the average contribution to a participating candidate was \$44. When matched at a 5:1 ratio, the contribution to a participating candidate was only slightly larger than the contribution to a non-participating candidate. These comparisons in Figure 8 suggest that the Fair Elections program put participating candidates on an even playing field – or in the case of the At-Large race, at a significant advantage – with non-participating candidates.

Figure 7: The average contribution size fell by 50 percent between 2018 and 2020

The mean contribution to Council candidates, 2008 – 2020

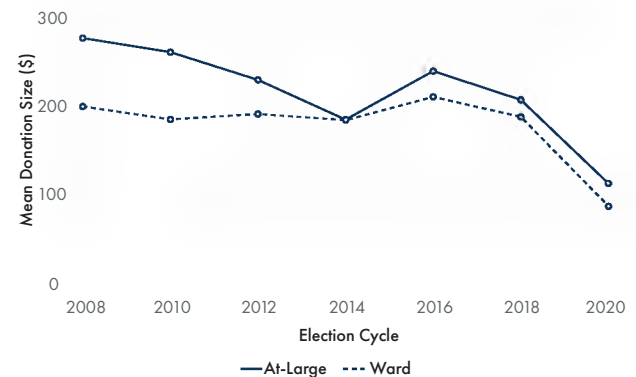
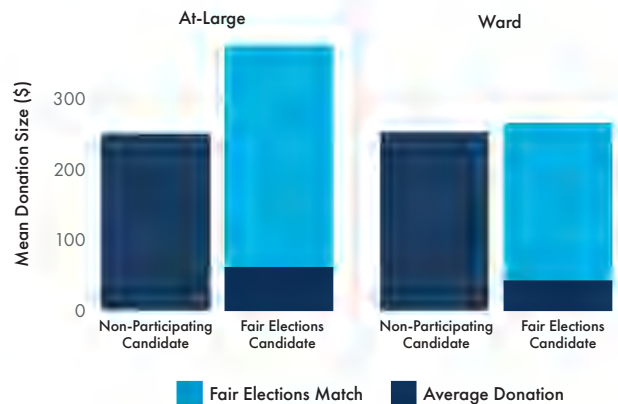


Figure 8: The average matched contribution to participating candidates exceeded the average contribution to non-participating candidates

The size of the average donation to participating and non-participating candidates, 2020



NEW DONORS IN COUNCIL ELECTIONS

The Fair Elections program aims to draw new donors into the political process. We define a *new donor* as a 2020 contributor who *did not* contribute to a Council candidate in the previous four election cycles (from 2012 through 2018).²⁴ Participating candidates built donor coalitions with more *new donors* than non-participating candidates. Figure 9 reveals that 76 percent of donors to participating candidates were *new donors* who had not previously contributed to a Council candidate. By contrast, only about 56 percent of contributors to non-participating candidates were new donors.

Notably, these first-time donors contributed smaller sums of money, compared to repeat donors. The average donation from a new donor to a participating candidate was \$49, compared to a donation of \$64 from a repeat donor to a participating candidate. Likewise, the average donation from a new donor to a non-participating candidate was \$208, compared to a donation of \$305 from a repeat donor to a non-participating candidate.

GEOGRAPHY OF DONORS

Participating and non-participating At-Large candidates relied on different geographic constituencies to build their donor coalitions. Figure 10 reports that non-participating At-Large candidates found more donors in Wards 2 and 3 than participating candidates. Nearly 25 percent of donors to non-participating candidates reside in Ward 3, compared to less than 16 percent of donors to participating candidates. Nearly 17 percent of donors to

Figure 9: 76 percent of DC donors to participating candidates were new contributors

The share of DC donors who had not contributed to a Council candidate in the previous four election cycles

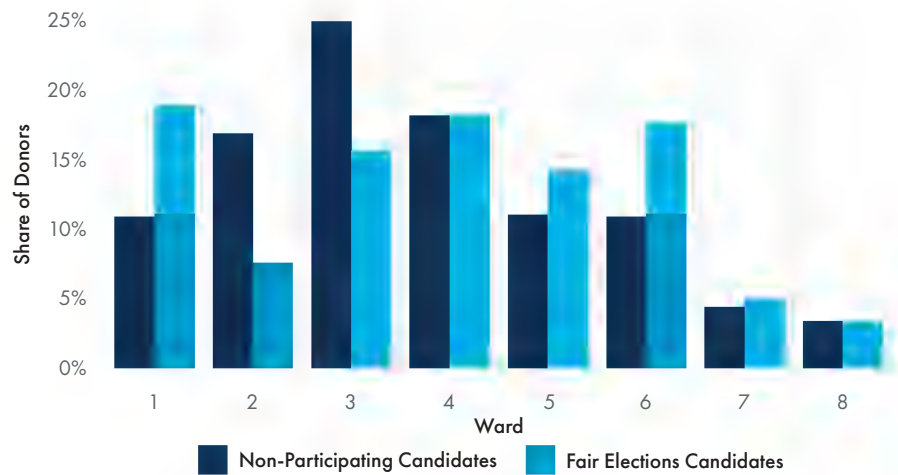


non-participating candidates live in Ward 2, compared to less than 8 percent of donors to participating candidates. By contrast, participating candidates found more donors than non-participating candidates in Wards 1, 5 and 6. Nearly 19 percent of donors to participating candidates came from Ward 1 and 17 percent came from Ward 6. Only about 11 percent of donors to non-participating candidates came from each of these wards. These geographic patterns may reflect the diverse neighborhoods of residency for participating candidates, or the possibility that their policy positions appeal to a more geographically diverse set of donors. Notably, participating candidates were no more likely than non-participating candidates to secure donors from Wards 7 and 8.

One goal of the Fair Elections program is to increase interactions between candidates and their constituents. Since the Fair Elections program matches donations from *all* District residents, the program does *not* currently incentivize Ward candidates to focus their

Figure 10: Participating At-Large candidates had a larger share of donors from Wards 1, 5 and 6 than non-participating At-Large candidates

The share of donors from each Ward for candidates in the At-Large race

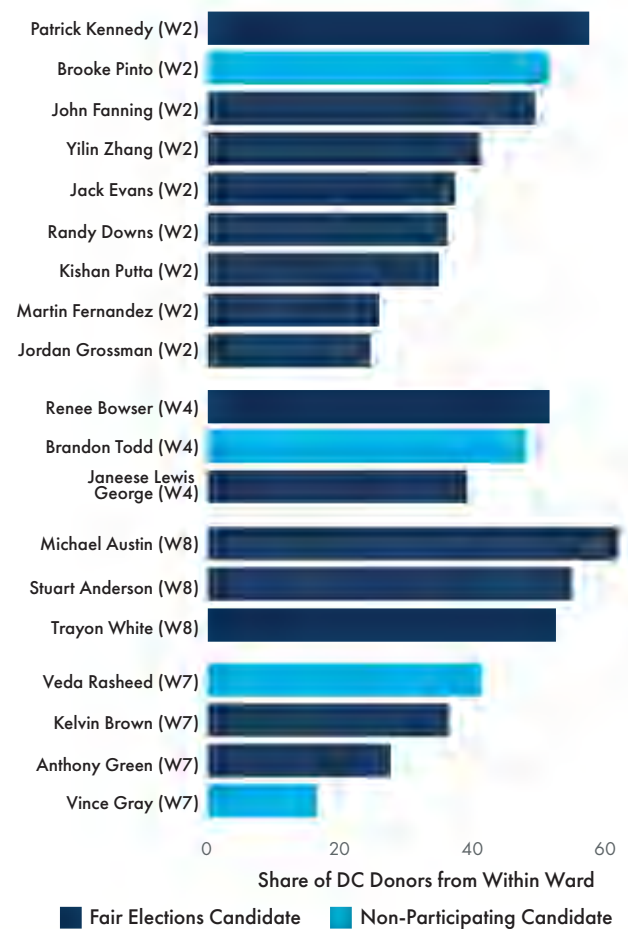


fundraising efforts within their district. Figure 11 identifies the share of DC donors to each Ward candidate who reside in the candidate’s district. For most candidates, fewer than half of their DC donors were residents of their Ward.

In Ward 2, about 52 percent of Brooke Pinto’s DC donors were residents of Ward 2. Only the second-place finisher, Patrick Kennedy, who participated in the Fair Elections program, had a larger share of Ward 2 donors. In Ward 4, slightly more than half of the donors to both Brandon Todd and Janeese Lewis George lived in Ward 4. In Ward 7, fewer than 17 percent of donors to Vince Gray lived in Ward 7. In Ward 8, only about 39 percent of donors to Trayon White lived in Ward 8. These findings suggest that Ward candidates assembled citywide donor coalitions, rather than relying on their constituencies to fund their campaigns.

Figure 11: For most ward candidates, fewer than half of their DC donors lived in their ward

The share of DC donors to ward candidates that lived in the candidate’s district



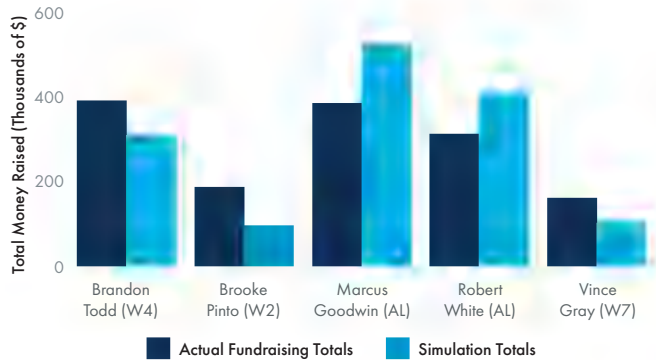
PARTICIPATION SIMULATIONS

Since the Fair Elections program is an *optional* public financing program, not all eligible candidates participated in the program. To understand how non-participating candidates would have fared by participating in the program, we conducted simulations to evaluate how much money non-participating candidates *would have raised* if their donations were subject to the rules of the program. We begin by inputting each donation as the maximum allowable contribution under the rules of the Fair Elections program for donors who contributed more than the Fair Elections limits. For example, a donor who contributed \$200 to an At-Large candidate would be recorded in the simulation as contributing \$100 – the maximum contribution for participating candidates. A donor who contributed more than \$50 to a Ward candidate would be recorded as contributing only \$50 – the maximum contribution for participating candidates. We then matched all donations from District residents according to the rules of the Fair Elections program and left donations from non-residents unmatched.

The simulation reveals that several candidates would have fared better by participating in the Fair Elections program, but others would have fared worse. Figure 12 shows that two non-participating At-Large candidates, Robert White and Marcus Goodwin, would have raised substantially more money by participating in the Fair Elections program. Goodwin's total receipts would have increased by 36 percent and White's receipts would have climbed by about 30 percent. Both of these candidates would have received \$40,000 base payments, as well.

Figure 12: The fundraising totals of non-participating candidates would change dramatically by participating in the Fair Election program

The simulated fundraising totals of the most competitive non-participating candidates



However, the three other non-participating candidates with the highest receipts – Brooke Pinto, Vince Gray and Brandon Todd – would have seen significant declines in their fundraising from participating in the Fair Elections program. Candidates who relied heavily on high-dollar, non-resident donors, like Brooke Pinto, would see their receipts fall substantially by participating in the program. More than 60 percent of donors to Pinto's campaign were non-residents. Pinto would have raised 50 percent less money by participating in the program. Similarly, candidates who relied extensively on high-dollar donors would also have received less funding under the Fair Elections program. About 39 percent of donors to Vince Gray and 31 percent of donors to Brandon Todd contributed the maximum allowable donation of \$500. Under the Fair Elections program, Gray would have seen his receipts fall by 37 percent, and Todd would have seen his receipts fall by 21 percent.

Key Policy Issues

The Fair Elections program is already beginning to reshape the campaign finance system in Washington, DC. As policymakers adjust the program to meet the stated goals, they should consider several key issues.

- The qualifying thresholds for the Fair Elections program are generally higher than those in other cities, including Los Angeles, New York, and San Francisco. **The Council should continue to evaluate whether these qualifying thresholds deter potential candidates from seeking elective office.** While nearly all of the candidates in 2020 who signaled their intent to participate in the program *and* got ballot access ultimately qualified, the burdens may be more onerous in the mayoral election because mayoral candidates are required to collect qualifying contributions from 1,000 donors to be certified for the program. Overly burdensome thresholds may restrict the entrance of a diverse, inclusive slate of candidates.²⁵
- Matching funds programs require citizens to spend their own money to support a political candidate, but many Washingtonians do not have the disposable income to participate. In Seattle, the innovative Democracy Voucher program provides four, \$25 vouchers to every Seattle resident to contribute to the candidate of their choice. In just two election cycles, the program has diversified the donor pool in Seattle and dramatically increased participation in municipal campaign finance. To supplement the Fair Elections program, **the Council should consider a voucher program to further increase participation in the campaign finance system.** This program may help incentivize participation among residents in Wards 7 & 8, which have the lowest rates of involvement.²⁶
- While the Fair Elections program aims to increase contact between candidates and their constituents, many donors to Ward candidates reside outside of a candidate's district. Currently, all donations from District residents are matched at a 5:1 ratio, regardless of whether the donor lives within the candidate's district. To incentivize Ward candidates to focus their fundraising efforts on their constituents, **the Council should consider adopting alternative matching criteria that offer a higher match rate (e.g., 8:1) for donors from within the candidate's ward.**
- Many donors to both participating and non-participating candidates reside outside of Washington, DC. In 2020, about 70 percent of donors were District residents and 30 percent of donors were non-District residents. Limiting the involvement of non-resident donors would further amplify the voices of District residents. **The Council should consider ways to incentivize candidates to increase their share of DC donors.** One option is to increase the match rate for candidates who disavow non-resident contributions. Just like progressive candidates often refuse to accept money from corporate PACs, candidates could refuse money from non-resident contributors in exchange for other offsetting incentives.

- **The Council should continue to incentivize participation by candidates in the Fair Elections program by narrowing the gap in the maximum contribution limits between participating and non-participating candidates.** Currently, donors to non-participating candidates can contribute ten times as much as donors to participating candidates in these Council races. Lowering the contribution limits to non-participating candidates or raising the contribution limits to participating candidates would shift the calculus for candidates deciding whether to utilize public financing.
- The Fair Elections program drew more candidates into the political process - and it may attract an even larger field in the upcoming mayoral election. Especially in low-information elections, an expanded field can create confusion for voters, many of whom lack the resources to sort through the policy positions of all candidates. Additionally, in a large field of candidates, the winning candidate often earns the support of fewer than half of the voters.²⁷

The Council should consider adopting an alternative electoral system that creates additional opportunities for voters to meaningfully participate when there is a large pool of candidates. One option is *rank choice voting*. In this system, voters *rank* their choices, rather than picking *only* their top candidate. This type of system creates opportunities to express multiple preferences in a large field of candidates. Following the lead of cities like New York City and San Francisco, it ensures that the ultimate winner receives the support of the majority of voters. Another option is a *top two primary system*. This type of primary is currently used in several places, including Washington state. The top two vote getters in the primary election move forward to the general election, thereby ensuring meaningful choices for voters in both the primary and general elections. Since voters first select their preferred candidate in a crowded primary and then choose between two candidates in the general election, this type of system guarantees that the winning candidate in the general election receives the majority of votes.

Endnotes

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- 2 Juhem Navarro-Rivera and Emanuel Caicedo, "Public Funding for Electoral Campaigns: How 27 States, Counties, and Municipalities Empower Small Donors and Curb the Power of Big Money in Politics," <https://tinyurl.com/3wn4nbyb>.
- 3 Office of Campaign Finance, "Public Finance Program Training Brochure," <https://tinyurl.com/3jm7tdd8>.
- 4 Code of the District of Columbia, "D.C. Law Library - § 1-1163.12. Registration Statement of Candidate; Depository Information," <https://tinyurl.com/c5xk6ysk>. Office of Campaign Finance, "Qualifications to Be Certified," <https://tinyurl.com/vfn8h36j>.
- 5 Office of Campaign Finance, "Qualifications to Be Certified," <https://tinyurl.com/vfn8h36j>.
- 6 A People PAC can accept contributions of up to \$250 from individuals. While candidates can accept up to \$1,500 from these PACs, these contributions are not matched through the program.
- 7 Office of Campaign Finance, "Fact Sheet for the Fair Elections Program During the 2020 Election Cycle," <https://tinyurl.com/yxhkxvrw>.
- 8 The maximum matching payment for At-Large and Ward Council candidates is set at 110 percent of the average expenditures for all winning candidates in the previous two election cycles.
- 9 Kenyan McDuffie, "Getting More People Engaged in DC Elections," *The Washington Post*, July 28, 2017, <https://tinyurl.com/2t52k7bt>. Washington Post Editorial Board, "D.C.'s Fair Elections Act Will Help Curb Abuse," *Washington Post*, January 19, 2018, <https://tinyurl.com/edy4v38>. Suzanne Novak and Lauren Jones, "Campaign Finance in Michigan," <https://tinyurl.com/tzsr2xa>.
- 10 David Keating and Thomas Wheatley, "Opinion: D.C.'s Fair Elections Act Would Give More Power to the Powerful," *The Washington Post*, December 29, 2017, <https://tinyurl.com/yf99v22n>. Martin Austermuhle, "Should Taxpayers Help Underwrite Political Campaigns? A Majority of D.C. Council Says Yes," *WAMU*, June 29, 2017, <https://tinyurl.com/weex6zu>. Jacob Wachob, "New York City and Los Angeles Offer Cautionary Tales for DC's 'Fair Elections Act,'" *Washington Examiner*, January 10, 2018, <https://tinyurl.com/3xnka5je>.
- 11 The decision by At-Large Councilmember David Grosso not to seek re-election created a vacancy for his position. Additionally, the resignation of Ward 2 Councilmember Jack Evans resulted in both a competitive Democratic primary and a special election to fill the Ward 2 seat.
- 12 We exclude these candidates (Mario Cristaldo (AL), Christopher Michael Cole (W8), and Keith Silver (AL)) from the analysis.
- 13 Martin Austermuhle, "Public Financing Of Political Campaigns Moves Forward In D.C. Council," <https://tinyurl.com/23ec3epu>.
- 14 Data on each of the programs reported in Tables 2-4 were collected from each city. Baltimore: <https://tinyurl.com/m3625frm>; Berkeley: <https://tinyurl.com/3682fr5x>; Boulder: <https://tinyurl.com/h34c89uc>; Denver: <https://tinyurl.com/3zbva5uk>; Long Beach: <https://tinyurl.com/vxec4a6k>; Los Angeles: <https://tinyurl.com/ykt9j2sr>; New York City: <https://tinyurl.com/9mbjxyvh>; San Francisco: <https://tinyurl.com/af496zmk>; Santa Fe: <https://tinyurl.com/6t4bc39c>; Tucson: <https://tinyurl.com/57y84vvh>.
- 15 Most programs, including the Fair Elections program, allow for qualifying donors to reside anywhere in the city, regardless of the office being sought. In DC, candidates for Ward Council seats are permitted to accept qualifying donations from any resident living in any ward in the District. In New York City, the Council and Borough President races require donations from within the respective district or borough to count towards the qualification limit.
- 16 In San Francisco, incumbents must raise \$15,000 from 150 donors to qualify. In New York City and Santa Fe, qualifying donors are required to live in the district of the candidate to whom they are contributing.
- 17 Several cities only match part of the contribution limit. New York City only matches \$175, Denver only matches \$50, San Francisco only matches \$150 and Long Beach only matches \$100.
- 18 In Baltimore, the match ratio varies from 9:1 for the smallest contributions (\$0-\$25); 5:1 for the next range of contributions (\$25-\$75); and 2:1 for the next range of contributions (\$75-\$150). In San Francisco, the match limit decreases to \$192,000 for incumbents. In Los Angeles, the match limit is \$161,000 for the primary election and \$201,000 for the general election. The expenditure limit is \$571,000 for the primary election and \$476,000 for the general election.
- 19 These data come from the Contributions reports from a Principal Campaign Committee. We focus exclusively on individual contributions and exclude corporate donations, as well as donations from PACs, LLCs and the candidates themselves (or their families). We merge data from the Principal Campaign Committee Expenditure reports on *refunds* to identify contributions that were returned to donors (often because they were over the legal limit). Since many contributions were made to candidates running for offices *other* than Council, we exclude those from our analysis, too.
- 20 When the same individual ran for office in separate years (e.g., Ed Lazere ran a campaign in 2018 and 2020), they are identified as separate campaigns.
- 21 Within election cycles, we match donors by name and residential address to identify their total contribution amount. We use the first three letters of a first name, the last name and the numerical portion of the address. Utilizing only an individual's name, we risk misclassifying individuals who share the same name, but are not the same person. On the other hand, utilizing an exact match on street name or an individual's first name may lead to misclassification of unique individuals on account of clerical or administrative errors (e.g., misspellings on street names, nicknames used in donor records). It is more challenging to identify donors across election cycles. Donors who move between election cycles would *not* be identified as matched donors using techniques that rely on the numerical portion of the residential address. Our longitudinal analysis of repeat donors relies on results from several types of matching efforts, although the results are consistent across techniques.
- 22 Since a small share of donors contributed to both participating and non-participating candidates, the separate total counts of donors to participating and non-participating candidates do not sum to the overall number of donors.
- 23 Figures 4a and 4b are limited to candidates who collected donations from at least fifty DC donors
- 24 This analysis does not include donors who participated in the mayoral contests in previous years. However, a subsequent analysis including contributions to mayoral candidates yields substantively similar results. Additionally, when we define repeat donors differently – as the last two or three election cycles – the results are substantively similar.
- 25 There were other candidates who failed to qualify for the Fair Elections program, but they also failed to gain ballot access. Most candidates that gained ballot access *and* signaled their intent to participate in the program ultimately qualified for public financing.
- 26 Jennifer A. Heerwig and Brian J. McCabe, "Building a More Diverse Donor Coalition: An Analysis of the Seattle Democracy Voucher Program in the 2019 Election Cycle," <https://tinyurl.com/w2uwpw7>.
- 27 In 2020, neither winning At-Large candidate won the support of a majority of voters. Democrat Robert White won the support of only 40 percent (n=139,028) of voters and Independent Christina Henderson won the support of only 23 percent (n=79,189) of voters. There were 344,357 votes cast in the 2020 Presidential election and only about 536,240 votes cast in the At-Large race. This suggests that a substantial number of voters under-voted by *not* selecting two candidates – either because they misunderstood the ballot, elected to support only a single candidate or skipped the At-Large race altogether.



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