

## **THE KEY DECISIONS OF A SMALL DONOR MATCHING PROGRAM WITH EXAMPLES FROM VARIOUS CITIES**

### **Decision 1: Disbursement of Funds – Offices and elections covered**

A decision must be made as to which offices (e.g. mayor, city council, city clerk, school board) will be covered by the programs and whether the program will cover primary as well as general election campaign expenses.

### **Decision 2: Open or Close System – To what extent are candidates able to accept other contributions?**

Option 1: “Closed” System – Candidates are not permitted to accept or spend funds other than those provided through the grant or matching system. The public funds option for presidential campaigns is an example of such a system.

Option 2: “Open” System – Candidates *are* permitted to accept other contributions, either with or without limitations (e.g. no contributions in excess of a specified amount, including self-funding; no contributions from PACs; no contributions from certain industries; no contributions from individuals or entities contracting with the state or municipality).

### **Decision 3: Candidate Qualification**

Option 1: Raise a minimum dollar amount from small donors – For example, in Sacramento, CA, a candidate for mayor must raise at least \$10,000 in contributions of \$250 or less. A candidate for city council must raise at least \$7,500 in contributions of \$250 or less. The qualifying donations must come from city residents.

Option 2: Raise a nominal amount from a percentage of registered voters – For example, in Albuquerque, NM, a candidate for city council must raise \$5 each from 1% of registered voters in the district. A mayoral candidate must raise \$5 each from 1% of registered voters citywide.

### **Decision 4: Disbursement of Funds – Level of matching, per contribution**

Option 1: All matching – For Example, in New York City, NY, the first \$175 contributed by a city resident are matched with public funds at a 1:6 ratio (\$6 public for every \$1 private), up to a stated maximum per candidate.

Option 2: Limited lump-sum amount, then matching – For example, in San Francisco, CA, upon qualifying for the program, a mayoral candidate receives \$100,000, and a Board of Supervisors candidate receives \$20,000. Thereafter, there is matching, first at a ratio of 1:2(public), then 1:1, depending on how much has been raised. For each office there is a stated maximum per candidate.

Option 3: Lump-sum amount – These programs, such as the one in the state of Maine, are usually referred to as “clean money” rather than “matching systems.”

#### **Decision 5: Disbursement of Funds – Overall limit per office**

A decision must be made regarding the overall level to which contributions will be matched per office. For example, in the most recent New York City elections, mayoral candidates could obtain matching funds up to approximately \$3.4 million, and city council candidates up to approximately \$88,000. The key here is choosing an amount sufficient to fund a competitive campaign.

#### **Decision 6: Millionaire/PAC Triggers**

A decision must be made as to whether limits get lifted for all candidates in a race if a wealthy contributor, PAC, or Super PAC puts a large amount of money into one candidate’s campaign (including their own).<sup>1</sup>

#### **Decision 7: Other Requirements Imposed on Candidates who Opt-In**

In some places, such as Austin, TX, candidates who opt-into the public funding program must agree to participate in specific debates.

#### **Decision 8: Funding Source**

Option 1: Public – For example, in Boulder, CO, matching funds are allocated by city council. The money comes directly from the city budget.

Option 2: Private – In the past, some programs, such as the one in Suffolk County, NY, attempted to rely solely on private, voluntary donations to a campaign finance fund. Such systems generally have not worked, except at the federal level for presidential elections.

Option 3: Public-Private Hybrid – For example, in Austin, TX, the city maintains a financing plan which includes funding from the following sources: all filing fees paid by mayoral and city council candidates, \$300 lobbyist registration fees, liquidated damages and criminal fines for violations of campaign finance laws, a \$1 check-off on utility bills (when technically feasible), and, importantly, donations from individuals and business entities.

---

<sup>1</sup> Many matching programs originally included provisions that raised the applicable limits for a qualified candidate, or increased the amount of matching funds they received, if an opposing opt-out candidate made large infusions of cash into their own campaign. The provisions also covered large, unlimited infusions of cash from PACs, Super PACs, or other outside sources. The U.S. Supreme Court, however, has since held that such “millionaire triggers” may not raise limits only for *opposing* candidates, as this “penalizes” and discourages political “speech.” Nevertheless, in the face of major cash infusions, it is still permissible to lift the limits for *all* candidates in the race.