

Proposition 15 Details

Proposition 15, the California Fair Elections Act, was put on the June 2010 ballot by the legislature and governor to create a pilot project providing voluntary public financing for candidates running for Secretary of State in 2014 and 2018. The Secretary of State makes an ideal test for public funding and will show how it will work in California. Prop 15 is patterned after the Fair Elections systems now working in Arizona, Maine and Connecticut, but adapted for California.

How Fair Elections Funding Would Work

To Qualify: Candidates have to receive 7,500 \$5 qualifying contributions and signatures from registered California voters to show that they have a broad base of support.

Fair Elections Candidates Receive: Enough baseline public funds to run competitive primary campaigns (\$1,000,000). If they win their primary they receive enough baseline public funds to run competitive general election campaigns (\$1,300,000).

"Fair Fight" Funds If Outspent: If Fair Elections Candidates are outspent by an opponent who does not participate or if independent groups attack them or support their opponent, they receive matching funds on a dollar for dollar basis within 24 hours to respond, up to total of 4 times the base amount, i.e. \$4,000,000 in a primary and \$5,200,000 in the general election.

Prohibitions for Participating Candidates: Candidates would be prohibited from raising or spending additional money beyond what they receive from the fund.

Strict Enforcement: Participating candidates must follow strict reporting requirements. Violators would face fines, possible jail time, and prohibitions from running for office in the future.

Qualification and Funding Levels For Major Party Candidates*

Max seed money (\$100 max per contributor)	\$75,000
Required \$5 contributions and signatures from registered voters to qualify	7,500
Baseline Primary funding amount	\$1,000,000
Max Primary Election funding including matching funds	\$4,000,000
Baseline General Election funding amount	\$1,300,000
Max General Election funding including matching funds	\$5,200,000

Third party and independent candidates require twice the normal number of qualifying contributions to "performance qualify" to receive full funding in the general election. They receive 25% of the base funding in the general election if they gather half the normal qualifying contributions (3,750).

How Funding Levels Stack Up With Previous Elections

CFEA's base funding levels are about the same as what Secretary of State Debra Bowen spent in 2006. Its max funding including matching funds would have fully matched the highest spenders in both 2002 and 2006, assuring participating candidates a level financial playing field.

Paid For By Registration Fees on Lobbyists and Voluntary Tax Contributions

CFEA will be paid for by voluntary contributions designated on state tax returns and by a registration fee of \$350 a year on lobbyists, lobbying firms, and lobbyist employers, the same as in Illinois, raising an estimated \$8.0 M over four years. Currently lobbyists only pay \$12.50 a year.



Proposition 15 Provisions and Benefits

Provisions

- o **Prohibit participating candidates** from raising or spending any money beyond what they receive from the fund. They are banned from raising any money for their campaigns from lobbyists, their clients, or anybody else.
- Participating candidates must follow strict reporting requirements and can only spend on legitimate campaign expenses. Violators would face fines, possible jail time, and prohibitions from running for office in the future.
- o Set base funding levels near the same levels as winning Secretary of State candidates in 2002 and 2006 to **allow competitive races**. All performance-qualified candidates receive the same amount in the general election.
- Set matching fund levels high enough that they would have matched spending of all Secretary of State candidates in 2002 and 2006 to ensure a level playing field.
- o **Exclude fringe candidates** by basing qualifying contributions on Arizona and Maine qualifying levels that have proven high enough, but scaled up for California's greater size.
- o Allow third-party and independent candidates the opportunity to qualify for full funds in the general election if they gather twice the normal number of qualifying contributions.
- o Require participating candidates to **engage in public debates**: Two in the general election and one in the primary.
- Allow Fair Elections candidates to place a 250-word statement in the voter information portion of the sample ballot and require all government websites to identify Fair Elections candidates on the sample ballot and in any list of people running for office.
- o Require Independent Expenditures in connection with Secretary of State candidates to report expenditures or expenditure contracts within 24 hours.

Why a Pilot Project?

- > 79% of likely voters in a recent PPIC poll say that that the state government is "pretty much run by a few big interests looking out for themselves" rather than "for the benefit of all the people." Allowing candidates to run with Fair Elections public funding is the only way to get candidates out of the fundraising game and back to our problems.
- Running the pilot program for Secretary of State candidates will allow Fair Elections Funding to be tested in California in a low-cost statewide election for the official who directly supports and oversees our democratic process.
- It will allow Californians to experience how publicly-funded campaigns will work and how they allow politicians to get out of the fundraising game so they can focus on our priorities. Then Californians can decide whether to expand Fair Elections to other offices.